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20 November 1980

LATIN AMERICA REPORT

No. 2217

CONTENTS

INTER-AMERICAN AFFAIRS

- Transfer of Somoza Guards Alleviates Nicaraguan-Honduran Border Problems
(LA PRENSA, 11 Oct 80)..... 1
- Mexico, Guatemala Study Hydroelectric Project
(PRENSA LIBRE, 14 Oct 80)..... 2

ARGENTINA

- Viola's Military Career Highlighted
(CONVICCION, 4 Oct 80)..... 3
- Martinez de Hoz Reaffirms Continuity of Economic Policy
(LA PRENSA, 11 Oct 80)..... 6
- Recent Efforts at Labor Unity Discussed
(LA PRENSA, 11 Oct 80)..... 9
- 'LA PRENSA' Points to Policy of Vacillation for Mideast Conflict
(Editorial; LA PRENSA, 21 Oct 80)..... 11
- Columnist Stresses Geopolitical Significance of South Atlantic
(Martin Olivera; CONVICCION, 12 Oct 80)..... 13

BOLIVIA

- Junta's Financial Connections With Drug Traffickers Reported
(Francoise Jodet-Gouin; LE MATIN MAGAZINE, 18-19 Oct 80)..... 16

BRAZIL

- Results of U.S. Presidential Election Analyzed
(Editorial; JORNAL DO BRASIL, 6 Nov 80)..... 20

Newspaper Analyzes Reagan's Election (Barbosa Lima Sobrinho; JORNAL DO BRASIL, 9 Nov 80).....	23
Commentator Discusses Reagan Foreign Policy (Newton Carlos; Radio Bandeirantes Network, 7 Nov 80).....	25
Daily Speculates on Reagan Policy Toward Latin America (O ESTADO DE SAO PAULO, 9 Nov 80).....	26
Paper Forecasts Reagan's Policy Toward USSR (Editorial; SAO PAULO LATIN AMERICA DAILY POST, 9, 10 Nov 80).	28
Paper Believes Reagan Has Made Good Beginning (Editorial; O GLOBO, 9 Nov 80).....	29
Newspaper Praises U.S. Democracy at Work (Editorial; JORNAL DO BRASIL, 9 Nov 80).....	30
Sovi ts To Supply 300,000 Tons of Petroleum This Year (O GLOBO, 19 Oct 80).....	32
Figueiredo in Teresina Justifies Current Economic Policy (Joao Figueiredo; O ESTADO DE SAO PAULO, 18 Oct 80).....	34
Bank Official Sees Foreign Banks Lending More Cautiously (O ESTADO DE SAO PAULO, 14 Oct 80).....	37
Carajas To Produce 35 Million Tons of Iron Ore in 1985 (O GLOBO, 16 Oct 80).....	38
Trade Deficit Through September Put at \$2.9 Billion (O ESTADO DE SAO PAULO, 14 Oct 80).....	40
Politicians, Church Officials Comment on Priests's Expulsion (Radio Bandeirantes Network, 3 Nov 80).....	41
Briefs	
Arms Purchase From Korea	42
Steel Production Data	42
Decline in Cruzeiro	42
Rise in Industrial Production	43
Senators Comment on Reagan's Election	43
Trade Balance Deficit	43
Fuel From Vegetable Oils	43
Teachers on Strike	44

CHILE

Reaction to PDC Leader Zaldívar's Forced Exile (Various sources, various dates).....	45
Speculation on Reasons for Action, by Ignacio Gonzalez Camus	
HOY Editorial Protests Action, Editorial, by Emilio Filippi	

Group of 24 Issues Protest
 Jorge Edwards Calls for Repeal, by Jorge Edwards
 Rodriguez Grez Defends Action, by Pablo Rodriguez Grez

COLOMBIA

Khomeyni Blamed for Rift With Sunnis, Arabs
 (Editorial, Fernando Buitrago; EL SIGLO, 4 Oct 80)..... 54

COSTA RICA

Unity Candidate Discusses Possibility of Victory
 (Rodolfo Mendez Maza Interview; LA REPUBLICA, 8, 15 Oct 80)... 56

Administrative Austerity, Honesty Urged
 Opposition, PUP Discussed

National Progress Candidate Discusses Elections, Economy
 (Miguel Barzuna Interview; LA REPUBLICA, 8 Oct 80)..... 64

DOMINICAN REPUBLIC

Reportage on Reaction to Venezuela's Campins Visit
 (Various sources, various dates)..... 68

PCD Scores Venezuelan Aid
 PRSC: Aids Christian Socialists
 Paper Hails Cooperation, Editorial

Venezuelan Financial, Petroleum Aid Scored
 (Bernardo Vega; LISTIN DIARIO, 18 Oct 80)..... 73

Paper Comments on PRD, Need for Political Parties
 (Editorial; EL NACIONAL, 23 Oct 80)..... 76

Wessin Outlines PQD Platform, Assails Pena Gomez, PRD
 (Elias Wessin y Wessin; LISTIN DIARIO, 15 Oct 80)..... 78

Pena Gomez: Not Involved in Guzman, Chamber Controversy
 (LISTIN DIARIO, 17 Oct 80)..... 83

Interior, Police Secretariat Reaffirms Political Freedom
 (LISTIN DIARIO, 17 Oct 80)..... 85

GUATEMALA

Foreign Minister Castillo Valdez' UN Speech Praised
 (EL IMPARCIAL, 8 Oct 80)..... 87

HONDURAS

Economy Minister Discusses Leftist Threat, Other Problems
 (LA PRENSA, 11 Oct 80)..... 89

Paz Garcia Speech Honors Civil Servants (Policarpo Paz Garcia; EL CRONISTA, 16 Oct 80).....	90
--	----

NICARAGUA

Education Ministry Denies It Follows Cuban Model (EL NUEVO DIARIO, 25 Sep 80).....	92
Propaganda Department Asks for More Economic Reporting (EL NUEVO DIARIO, 20 Oct 80).....	95
Council of State Recommends Ban on CDS Letters (LA PRENSA, 16 Oct 80).....	97
Finance Ministry Sets Austerity Goals for 1981 (EL NUEVO DIARIO, 21 Oct 80).....	99
PPSC Calls for Union Solidarity, More Economic Output (EL NUEVO DIARIO, 18 Oct 80).....	100
JGRN Member Lists Measures To Revive Cattle-Raising Industry (Rafael Cordova Rivas; LA PRENSA, 8 Oct 80).....	102
Importance of New School Year Recognized (BARRICADA, 6, 11 Oct 80).....	104
Turnerman Addresses Students Work-Study Program Discussed	
JGRN's Policy Toward Minorities, Bluefields Case Explained (Editorial; BARRICADA, 20 Oct 80).....	107
Economic, Health, Educational Projects in Bluefields Noted (BARRICADA, 21, 15 Oct 80).....	109
Municipal Junta Describes Progress Cuban Teachers Return Sugar Cane Harvest Started	
Misurasata Representative Discusses Situation on Atlantic Coast (Stedman Fagoth Interview; EL NUEVO DIARIO, 19 Oct 80).....	114
Planning Ministry Director Discusses El Salvador, Economic Gains (EGIN, 10 Oct 80).....	118
Briefs 'BARRICADA' in French	121

VENEZUELA

Vivas Teran Supports Rafael Caldera Candidacy (Abdon Vivas Teran Interview; BOHEMIA, 13-19 Oct 80).....	122
--	-----

Earnings Below Subsistence Level Reported (EL NACIONAL, 19 Oct 80).....	127
Country's Population Projected for 1981, 1985 (RESUMEN, 19 Oct 80).....	129
Prospects for Petrochemicals Industry Discussed (RESUMEN, 19 Oct 80).....	131
PETROVEN Presidents' Salaries Denounced (EL NACIONAL, 19 Oct 80).....	133
New Recovery Methods for Residual Refined Oil Announced (Fermin Luque; EL NACIONAL, 19 Oct 80).....	134
Energy Ministry Budget Submitted to Chamber of Deputies (EL NACIONAL, 18 Oct 80).....	137
Briefs Natural Gas Discovery	138

TRANSFER OF SOMOZA GUARDS ALLEVIATES NICARAGUAN-HONDURAN BORDER PROBLEMS

San Pedro Sula LA PRENSA in Spanish 11 Oct 80 p 34

[Text] Tegucigalpa--The border problems between Honduras and Nicaragua prompted by the presence of former Nicaraguan national guardsmen there have been considerably alleviated, it was reported.

Murder, pillaging, assault, rape and armed holdups have practically disappeared since the Government Ministry ordered the former Somoza guardsmen transferred to the northern part of the country.

The residents of the departments of El Paraiso and Choluteca have returned to their normal, everyday activities now that the Nicaraguans have been transferred to San Pedro Sula and environs.

The problem now is the presence of similar elements on Nicaraguan territory who are taking advantage of the lack of border surveillance to enter Honduran territory and commit crimes, especially cattle rustling.

The hope is that drastic measures will be decided on at the meeting next Tuesday between the foreign minister of Honduras, Cesar Elvir Sierra, and the foreign minister of Nicaragua Miguel D'Escoto, in Tegucigalpa.

8743

CSO: 3010

INTER-AMERICAN AFFAIRS

MEXICO, GUATEMALA STUDY HYDROELECTRIC PROJECT

Guatemala City PRENSA LIBRE in Spanish 14 Oct 80 p 6

[Text] Engineers from Mexico and Guatemala are conducting studies to determine whether it is advisable or not to build a dam on the Usumacinta River on the border between the two countries, Deputy Tomas Zepeda Guzman, the president of the legislature, said yesterday.

"The Mexicans are interested in building a hydroelectric plant, which would flood lands in both Mexico and Guatemala. So, we have to see whether the tradeoff of lands for electrical energy is a good one.

"In any case," he indicated, "the river waters between the two countries belong to the one that uses them. If Mexico builds the dam, it will have to compensate Guatemala on the basis of a partnership between the two countries. The costs would be lower, and we would both share in the profits from the power generation.

"The problem is that if Guatemala does not build the dam, Mexico will because it is very interested."

Peten Itza Lake

"We are concerned about the situation of the people living on the shore of Peten Itza Lake in Flores and elsewhere, because of the property damage they have suffered, which has forced them to abandon their homes.

"We could immediately build a breakwater to save the city and the property and lives of Flores residents," he indicated, "and then later build a tunnel to save the other cities by the shores of the lake, but this would take more time."

This water could also be used to irrigate fields. The National Forestry Service has a million quetzales for such a project from the exemption taxes that Peten has generated. These unused taxes could be channeled into this project to save the department capital and several of its municipalities.

Oil

Deputy Zepeda Guzman also commented that there is oil in Peten. Exploration has been done in San Francisco, and oil was found, but not in marketable quantities. Therefore, the drilling has to go deeper. "Exploration will continue in various places, such as El Naranjo and elsewhere."

ARGENTINA

VIOLA'S MILITARY CAREER HIGHLIGHTED

Buenos Aires CONVICCION in Spanish 4 Oct 80 p 12

[Text] The future president of the nation, retired Lt Gen Roberto Eduardo Viola, was born on 13 October 1924. The president at the time (between the two terms of Hipolito Yrigoyen) was Dr Marcelo Torcuato de Alvear, who was about the same age as the former army commander will be when he takes office.

Realizing his calling early in life, he entered the Military College of the Nation in March 1942, graduating as a second lieutenant on 21 December 1944. During this short period of his initial military studies, the presidency was held by Dr Ramon S. Castillo and Pedro Pablo Ramirez, with Gen Edelmiro J. Farrell coming to power afterwards. A series of changes, gains and setbacks brought Peron to the president's office 10 months before Roberto Viola received his lieutenant's insignia.

During the 10 years from then until 1955, our future president gained the rank of first lieutenant (1948) and then captain, the rank that he held when he opportunely joined the Liberating Revolution. Four years before, during tumultuous 1951 and the uprising of Gen Benjamin Menendez (senior) against the incumbent regime, 1st Lieutenant Viola took the entrance exam for the Superior War School and became a captain. His last post prior to September 1955 was in the Third Army Command, the first under the government of Lt Gen Pedro Eugenio Aramburu, the head of the Services Group of General Lemos School.

From 20 September to 13 November 1955, the presidential residence was occupied by Gen Eduardo Lonardi, who explained the triumphant movement in the following terms: "Argentina gave the world the first example of an absolutely totalitarian government, armed with all of the weapons of propaganda, supported by a deceived but considerable segment of the population and finally defeated not by a foreign war but by the love for freedom and the cult of honor."

While Lieutenant General Aramburu was president, Captain Viola was promoted to major (December 1956), taught at the General Lemos School (November 1957) and then served as a staff officer at the War Ministry (December of the same year).

On 1 May 1958, in an initial bid to return to democracy, Aramburu handed over power to Dr Arturo Frondizi, who began a term that concluded abruptly with his overthrow in 1962. Meanwhile, Maj Roberto Viola was taking the second part of the Information Course for staff officers; he then joined the army general staff and was promoted to lieutenant colonel in December 1960.

Frondizi, overthrown in March 1962, was succeeded by Dr Jose Maria Guido, who put Dr Arturo Illia in office on 12 October 1963. During these months, Lieutenant Colonel Viola was serving in the War Secretariat and then at the Chief Army Command.

Under Dr Illia's administration Viola was part of a military delegation that visited the United States; he was promoted to colonel in December 1965 and took the Superior Strategy Course for colonels.

The Argentine Revolution, headed by Lt Gen Juan Carlos Ongania, toppled President Arturo Illia on 28 June 1966. At the time, Col Roberto Viola was taking the Orientation Course for unit commanders. He had also visited the United States a second time and was appointed adviser to the Argentine delegation to the Inter-American Defense Board and later (December 1969) assistant director of the Military College of the Nation.

Ongania resigned on 8 June 1970 and was succeeded by Lt Gen Roberto Marcelo Levingston, who in turn resigned in March 1971. This period found Viola serving as an aide to the Officer Evaluations Board.

In 1971, he saw the presidency assumed by Lt Gen Alejandro Agustin Lanusse, who, in a second attempt at a return to democracy, handed over power to Dr Hector J. Campora. Peronism was back in power, and in the preceeding years subversion had been creating a highly explosive situation in the country.

With Lanusse in charge of the country, Colonel Viola headed up the delegation of the Military College that visited the Panama Canal and the United States, became commander of the Third Infantry Brigade in late 1971 and was promoted to the rank of brigadier general in December of that year.

Lanusse's term was followed by the "interregna" of Campora (May to July 1973) and Raul Lastiri (July to October). Peron then became president for the third time, serving until his death on 1 July 1974, when for the first time in the country's history a woman, Maria Estela Martinez de Peron, took office as president. The economy was artificially propped up and beset with runaway inflation, and subversion was mounting day after day. The country was a powder keg.

In the meantime, Brig Gen Roberto Viola served successively as a member of the Officer Evaluation Board; second commander and chief of staff of the Second Army Corps Command; secretary of the General Army Command; commander of the Third Corps in Cordoba; chief of staff of the General Army Command (August 1975) and late that year was promoted to major general, at which rank he carried out missions in several neighboring countries.

After all civilian recourses had failed, Lt Gen Jorge Rafael Videla took over as president of the republic on 29 March 1976, pursuant to a decision by the Military Junta, 5 days after the uprising on the 24th which marked the return to power of the Armed Forces and the beginning of the current National Reorganization Process.

In November 1977, Maj Gen Roberto Viola headed up the delegation to the 12th Conference of Armies of the Americas and performed various functions until 31 July 1978.

On that day he was promoted to the highest military rank. He became Lieutenant General Viola, commander in chief of the army and, according to the regulations of the process, a member of the Military Junta, the nation's highest institution.

As a member of the upper echelons of Argentine military leadership, he has been decorated by the government of Bolivia and by the armies of Venezuela, Peru, Paraguay and Colombia.

As of 31 December 1979, when he retired as commander in chief of the army and was replaced by Lt Gen Leopoldo Galtieri, he became one of the choices for president in 1981.

Yesterday, 3 October 1980, 10 days before his 56th birthday, retired Lt Gen Roberto Eduardo Viola, who is married to Nelida Giorgio and has two children and grandchildren, was appointed second president of the National Reorganization Process, a post that he will assume on 29 March 1981, when Lieutenant General Videla's term ends.



Lt Gen Roberto Eduardo Viola

8743
CSO: 3010

ARGENTINA

MARTINEZ DE HOZ REAFFIRMS CONTINUITY OF ECONOMIC POLICY

Buenos Aires LA PRENSA in Spanish 11 Oct 80 pp 1, 9

[Text] Economy Minister Dr Jose Alfredo Martinez de Hoz asserted that, according to official statistics, real wages have increased 20 percent from the second half of 1976 to the present and reiterated that the current economic program has not generated social costs inasmuch as there is full employment.

He also appealed to "the responsibility of everyone involved in production, manufacturing and marketing" and asked that they figure the value added tax into their prices while deducting the savings provided them by several government measures, such as the elimination of the employer contribution to pensions and to FONAVI [National Housing Fund].

Dr Martinez de Hoz made these statements during a radio interview in which he analyzed extensively his performance as economy minister for the last 5 years, reiterating that the new minister would not make changes in current policy, because it "is approved by the Military Junta."

He defended his ministry's industrial policy, noting that its aim is to "strengthen Argentine industry" through "the incentive" represented by "both foreign and domestic" competition, inasmuch as industry had previously been "overprotected," which impeded its progress.

During the interview he denied that next year could turn out to be "difficult" for the country in terms of meeting its commitments to improve what is called the foreign debt profile, in other words, to stagger chronologically the expiration dates of the country's overseas commitments and liabilities.

Continuity of Economic Policy

In his replies Martinez de Hoz again confirmed that the next economy minister would continue the policy that he has been pursuing at the Finance Palace, inasmuch as "it was approved by the Armed Forces, which head up this government. Thus, there is no political party change" since "the Armed Forces are the ones in charge during this period," and the same goes for the Military Junta, "which is going to continue in 1981" and which "incidentally, is the same one that set forth the political foundations for the 1981-84 government term."

He acknowledged that the guidelines are not rigid and can be applied in various ways, inasmuch as "we ourselves have had to employ different systems to react

to economic developments so that we could have the capacity to respond and attain better results."

He also underscored that our future president, retired Lt Gen Roberto Viola, "was part of the process and was closely tied to it as commander in chief and as a member of the junta until very recently, which means that his involvement is a guarantee of continuity, and this has been the understanding on all sides."

Industrial Policy

He went on to say that the previous policy had made Argentine industry "weak and not vigorous enough" in general terms, conceding that "there are exceptions" but adding that this sector no longer needs the previous "kid gloves protection."

"We have to moderate protectionism," he added, "which does not mean that it is going to vanish." He stressed that "we still have one of the highest levels of tariff protection in the world," and therefore "we have not moved to zero protection overnight."

Dr Martinez de Hoz emphasized later on that the aim is "to produce in this country everything that we can under the best possible conditions in terms of costs, price and quality" and that what does not meet these conditions "ought to be imported" so that we can have an end product that will go on the market at competitive prices" to benefit "domestic consumers" and the country, which can secure other markets to achieve higher sales volumes and practice what is called an economy of scale."

Despite this, he conceded that "in some cases" there could be a "political decision to produce certain things, not so much end products as raw materials that are important industrial inputs." He specifically mentioned steel, noting that "our country, like any other country that can do so, ought to have a sufficient degree of steel self-sufficiency to safeguard against shortages and fluctuations in world prices."

The 'Social Cost'

He was then asked about the economic program's so-called "social cost." The economy minister downplayed such a possibility, stating that "I do not think that we can talk seriously about a social cost in a country in which there is no unemployment, in which real wages have risen, in which there is no hunger, in which there are job opportunities for all and in which we are creating conditions for equal opportunity by eliminating all excessive privileges, subsidies and state giveaways."

Later, he declined to comment on whether the year would end with two-digit inflation: "Let's consider that a matter for guesswork or curiosity." He pointed out, however, that he hoped that this would come about.

Towards the close of the interview he said that as a private citizen he would continue contributing wherever possible to the success of the process, after having been called on by the country "to make a personal contribution over the past 5 years," during which "my activities have been many."

Lastly, he expressed the hope that the next economy minister "would be imbued with the same basic principles" that he followed and that "are the ones that have guided the policy of the Armed Forces during this process," emphasizing his belief that it could not be otherwise because if he were not, he would not be appointed.

8743

CNO: 3010

RECENT EFFORTS AT LABOR UNITY DISCUSSED

Buenos Aires LA PRENSA in Spanish 11 Oct 80 p 7

[Excerpta] The new labor federation has begun pursuing its activities, normally it seems, by holding the two recent meetings of representatives from the three largest factions of the Argentine union movement. This federation was established after many efforts by the various factions and at a time when several groups of unions and union affiliates in the interior had begun an active campaign "for an immediate resolution of the unity problem."

As anticipated, the leaders of the new federation were appointed, albeit not definitively, in accordance with the records of those who took part in the prior meetings and represented major trade unions. We should also point out that both the secretariat, which so far will consist of 9 members, and the future 30-man Board of Directors will be made up of labor leaders with differing leanings in the multifaceted labor picture at present.

They include people with clear-cut Peronist roots and who at one point formed the so-called Peronist Union Movement, as well as the antiverticalists who during the government that was overthrown in March 1976 had already ceased showing absolute obedience to the regime and had even organized a bloc with its own independent characteristics and with a different political background, such as the case of those with a radical background.

Also included are those who have stated (and we have so reported on several occasions) the "need for in-depth self-criticism and a clear-cut return to democratic forms of union life by taking advantage of the provisions of the new union law, which basically aim at future elections of new administrative commissions for all organizations."

Voting Method

This complex picture, which certainly does not enable us to use such trendy union expressions as "monolithic unity," has led to the first disagreements that the brand new CGT [General Labor Confederation] will have to deal with. One of them, which will perhaps be the major item on the agenda at the meeting scheduled for next Tuesday at 1600 hours at the tobacco workers local, will be the method of voting for the Board of Directors. According to the account's garnered from circles close to the three groups, the CNT faction will defend the voting system by number of members, which the now dissolved CGT

used to employ. Under this system, although each of the three groups would have 10 representatives on the board, the CNT, which comprises the largest trade unions, would have 26 votes. The Commission of the 20 would have 12 or 14, at best, and the Commission of the 25 would get 10.

Inevitably then, these two factions, which insisted on maintaining the coequality of previous talks and on transferring it to the decisionmaking system of the new labor federation, will oppose the CNT stand, which this faction seems to be clinging to with particular firmness.

A prior agreement is not ruled out, inasmuch as at all of the meetings so far there has prevailed a desire to surmount all of the differences standing in the way of normal workings for the CGT; this is again according to what the various representatives have said.

Contacts With Viola and Harguindeguy

As always happens in these cases, the issue will most likely be taken up at several joint meetings; this will require considerable "discussion time," which will take up most of the period until the new national authorities assume their posts. Furthermore, this is all the more likely because many leaders do not want to rush into decisions, preferring to wait so that the major problems affecting the workers can be explained to and taken up with the new government. In this regard, we should emphasize the report that president-to-be Viola "has been informed in detail concerning the seriousness of the problem of job source losses and realizes how urgently steps have to be taken to prevent this troublesome situation besetting a large part of industry from becoming widespread unemployment."

Meanwhile, dialogs will continue with the current interior minister. Gen Harguindeguy will receive a faction of the group called 32 Democratic Trade Unions, which will be represented by two labor leaders from the interior, one of them from Rosario. There will also be a meeting with CNT representatives Alberto Jorge Triaca, Ramon Antonio Baldassini, Enrique Venturini and Ruben Marcos. Delegations from the Commission of the 20 and the 25 Trade Unions are also expected to see him over the next few weeks. If these meetings are held, or at least the last three, it will mean that the CGT has not yet begun to operate, not even in terms of its relations with the current authorities, and that the labor leaders have adopted the approach that some of them have described as "waiting to talk to Viola."

8743

CSO: 3010

'LA PRENSA' POINTS TO POLICY OF VACILLATION FOR MIDEAST CONFLICT

Buenos Aires LA PRENSA in Spanish 21 Oct 80 p 10

[Editorial: "The Mideast War"]

[Text] The Mideast war between Iran and Iraq, which are undertaking military operations using all types of weapons short of nuclear arms, is exceptional in a number of facets, because of its specific repercussions on the interests of the United States, the Soviet Union and industrialized countries like Japan and the members of the European Economic Community. The outbreak of the war apparently caught the Foreign Ministries of these countries by surprise, as well as those of the Arab world, which explains the vacillations and contradictions marking the policies that they have in general pursued since the conflict began.

European observers feel that while the combatants butcher each other in battle, the United States and the Soviet Union, though they have not squared off militarily, are nevertheless involved, in effect, in a fierce political and strategic struggle. In this regard, they point out that "the two giants are furtively getting their respective collaborators ready," inasmuch as Moscow has entered into a friendship treaty with Syria, and Washington, aside from having secured an offer for military bases on Egyptian soil, has undertaken efforts in Kenya, Somalia and the Arab Emirates to get permission to establish military depots and bases there.

One of the facets of the strategy that the two superpowers are trying to implement politically can be seen in the friendship between Libya and Syria. Although it is not too significant militarily, it could have an impact on the ever-changing relations among other Arab countries. Qadhafi's diplomatic offensive was probably originally aimed at achieving the dual objective of striking at Sadat and attacking the United States. Qadhafi's intentions of discrediting Sadat in the eyes of the Arab world and of inciting the Islamic world to halt the U.S. march towards the Persian Gulf are obvious. With respect to the Soviet Union, which is discreetly at work inside Foreign Ministries, it intends to exert indirect pressure on Turkey and, at the same time, warn Iran and Iraq that it could use its influence both to strengthen a front against Iran or to do the opposite. In other words, without intervening openly in the conflict, it is in a position to exert a favorable or unfavorable impact on either of the two combatants.

The concentration of the American fleet in the Indian Ocean is not just a move to counter the Soviet Union's invasion of Afghanistan. It is designed to keep open

the Straits of Hormuz, which are involved in the conflict, should this become necessary. Nor is it a secret, in the wake of a calculated indiscretion by Sadat, that there is a close understanding between the United States and Saudi Arabia and that the United States might expand its bases on Saudi territory. Sadat's intention is to secure a more categorical and clear-cut attitude on the part of all the governments that are determined to oppose the Soviet presence in the war region, so that in addition to obtaining the above concessions, the United States can take advantage of them through the corresponding military installations. And Sadat's policy also applies to the EEC countries, which he is urging to follow the indicated course of action.

According to the latest news reports, President Carter has for the first time described Iraq's attack as "aggression" and reiterated his opposition to any attempt to seize Iranian territory. U.S. policy towards the conflict is also unquestionably affected by the hostage issue, which is a real nightmare for American leaders, and hence the American president has expressed his willingness to meet with the Iranian prime minister to discuss the matter, but the prime minister's reaction has not been favorable so far. At the United Nations, Mohammad Ali Rajai lashed out at the two superpowers, the United States in particular, for trying "to impose a new Israel" in the Middle East by supporting Iraq. He went on to say that it is even trying to do this "under the banner of Arab nationalism." U.S. State Department spokesmen said that there was no indication whatsoever that Mohammad Ali Rajai was willing to discuss the hostage issue during his visit to the United Nations.

According to U.S. Defense Department statements, the country is capable of assuring access to the Persian Gulf but it does not yet have available the materiel to undertake a major land war in the region. At present, it has 2 large aircraft-carriers with minesweeper helicopters and fighter bombers in the Indian Ocean, aside from 21 cargo vessels, all of which would enable it to transport artillery, munitions and water for a reinforced Marine brigade of 10,000 to 12,000 men. The same source explained that if the hostilities were to directly affect the United States, the Pentagon would have available 200,000 combat-ready troops, without reducing its commitments to NATO, in addition to 100,000 reservists.

This, then, is the knotty picture offered as of now by the Mideast war, the development and results of which are closely tied to the oil needs of the superpowers and the industrialized countries. If supplies to the United States, Japan and the EEC nations were eventually threatened (the Soviet Union can supply itself, with the aid of other communist countries), the conflict could quickly become extremely serious. And so, the diplomatic war continues, while the other, military war, the one that Iran and Iraq are absurdly waging, drags on with its heavy toll of destruction and death, a war that can never be justified by the reasons cited.

8743

CSO: 3010

ARGENTINA

COLUMNIST STRESSES GEOPOLITICAL SIGNIFICANCE OF SOUTH ATLANTIC

Buenos Aires CONVICCION in Spanish 12 Oct 80 p 12

[Article by Martin Olivera on speech by Adm Armando Lambruschini]

[Text] "Argentina and the South Atlantic are no longer some sort of detached, peripheral region of the world; this is a region of the utmost geostrategical value, bordering on communication routes that are vital to the planet's largest population centers."

These remarks are from the speech that Adm Armando Lambruschini delivered on Friday in Mar del Plata at the close of the series of lectures on "The Ocean and Related Problems." They also represent a starting point for formulating an Argentine geopolitical strategy that replaces the timid habit of looking inward with a creative, outward-looking view.

Lambruschini talks about the importance of the maritime frontier, but moreover he talks about the importance of occupying that frontier, because "maritime sovereignty requires an active presence and must be exercised in a continuous, organized and unwavering manner." It is of no use to declare sovereignty if it is not exercised, and this is the basic initial stand for reversing certain trends in Argentina.

Throughout its history, our country has been receding on all fronts, probably as a result of a mistaken geopolitical policy, the first major outcome of which was the loss of the eastern strip, then the eastern part of Misiones, the Paraguayan Chaco (in spite of a military victory), the northern and eastern parts of Jujuy, etc.

Clashing head on with the notion of national grandeur of our founding fathers like San Martin, Brown, Belgrano and Moreno, but fueled by the philosophy of Rivadavia that it was better to have a small country with a strong port and a vast hinterland than a large but "unprofitable" country, these views were reordered only as late as the generation of 1880, when men of the stature of Sarmiento, Avellaneda and Roca saw that our country was more than Buenos Aires.

It was to be expected, then, that maritime expeditions would set out to "exercise" sovereignty in the south and that Roca would set out by land to conquer the vast territory of Patagonia, which otherwise would have inevitably fallen into the hands of more expansionist neighbors.

But then everything returned to mediocrity, and the declining view of geopolitics enveloped the remaining facets of national life, as the regression penetrated the cultural, political, economic and social spheres, thus demonstrating precisely what the ideologues of this theory refused to admit: that a country functions as a whole.

It is often said that a nation's foreign policy reflects its domestic policy, but we must bear in mind that the inverse is also true: external weakness leads to internal weakness.

Since geopolitically we cannot question that borders constitute the limit of domestic policy and the beginning of foreign policy, a poor policy in this regard obviously has an impact on the entire structure of a nation.

It is therefore important to begin exercising sovereignty along our borders, as an indispensable step towards establishing an Argentina with real influence.

During the 55 months of the process, right and wrong moves have been made along the geopolitical courses chosen, but we have undoubtedly lacked a homogeneous approach in this regard for the entire country. Thus, the government emphasized the concept of sovereignty and clearly stated that it was prepared to defend it militarily, but the exercise of this sovereignty was not backed by socioeconomic measures.

Although it is true that we cannot expect miracles in just 4 years, we still do not know of specific measures to bring industries into key zones, to populate border areas, to occupy empty territory or to fill the major vacuum in Patagonia.

Because of all these negative points, the speech given by Admiral Lambruschini is pivotal in setting forth the guidelines for fully exercising our sovereignty in our strategically and economically most important area in the near future: ocean waters.

It is in keeping with this view of the role of the oceans that he upholds the policy of the 200-mile exclusive economic zone and Ireland's prescription regarding the subsoil of adjacent regions, where the greatest resources are to be found.

"The diplomatic struggle that we are waging to defend these inalienable rights," Lambruschini said, "is not just a statement of intention or a matter of rhetoric or prestige; it is the basis for preserving an essential source of future resources. It is the unavoidable condition for another of the vital challenges that history has posed to us: becoming a major maritime power."

Referring to our immense ocean area, Lambruschini pointed out that "if we do not develop it intensely and rationally, if the republic scorns the rewards that Providence has placed within our reach, then outside interests will be lured by their magnitude. In that case, Argentina would have to face up to conflicts or experience the frustration of another unjust amputation of its territory."

"The idea is not to repeat the mistakes of the past, not to think that 'the totality is fine' and to once again let history pass us by, only to feel sorry for ourselves later on when the major powers and the multinationals plunder our ocean riches."

We must not think about this as something far off. It is common for Soviet fishing fleets at present to haul in schools of fish at the edge of our exclusive economic zone, thus causing an ecological imbalance in it. This will stop only when this ocean area is occupied.

Lambruschini was very clear. He set forth a geopolitical strategy for Argentina's waters, but he cautioned that we must now implement it in practice, we must develop our strategic and economic resources.

So, we will have to wait and see whether Argentina today is willing and ready to put this geopolitics into practice. To this end, it will have to continue promoting the shipbuilding industry and develop a powerful, modern fishing fleet. Some segments of the economy seem to be playing their cards the opposite way.

If this trend is not reversed, Argentina will be the loser, and we will pay for it in the 21st century.

8743

CSO: 3010

JUNTA'S FINANCIAL CONNECTIONS WITH DRUG TRAFFICKERS REPORTED

Paris LE MATIN MAGAZINE in French 18-19 Oct 80 pp 27-28

[Article by Francoise Jodet-Gouin]

[Text] Santa Cruz, a border post, population 280,000, one of the centers of cocaine traffic. Impossible not to notice the little game of a small plane that is describing circles before landing. It is going to set down right away on the runway of Kutuchi Gutierrez, one of the region's Mafiosi. Montero, the cocaine capital, is very close by. Seven years ago, by the greatest chance, I was invited to an estancia. I did not then know that it belonged to a trafficker. Today Montero is a drowsy city. It is 30° C. American automobiles line the square, covered with grass and paved walkways, the rendezvous spot for the young in the evening. The limousines have one peculiarity, they do not have license plates; they have been smuggled in. Riders in jeans and cowboy hats seem to have come out of a western. Their mounts prance around trucks full of coca leaves.

The strong man around here is Gen Echeverria, the commander of the Second Santa Cruz Battalion, whose second in command is Col Lara, the commander of the Ranger Regiment. They are in charge of surveillance of the department of Santa Cruz (370 square km in area, population 712,000). The region is covered with estancias where sugar cane, cotton, rice and coffee are grown. On these farms another occupation is also engaged in, one that is making the region's fortune: the transforming of coca into basic paste.

Gone are the days when the peasants chewed coca to forget their hunger. Now, in the local markets, one has a hard time unearthing a chola (a half-breed Indian) who consents to sell a bag or two (\$10 per kilo). For crushing the leaves mixed with kerosene the campesinos [countrymen] of Montero today earn their monthly salary in three days: 1,000 or 2,000 pesos (160 to 320 francs).

Gen Echeverria and Col Lara have under them paramilitary personnel who have been incorporated into the army. They are called "assessors." Their leaders are Rudy Landivar, Julio Canido and Abraham Baptista. Into this shock group are integrated German mercenaries who come from Paraguay and are installed in two "security houses" in Santa Cruz. These two buildings are used as an arsenal and a drug warehouse.

Early in July Jose Paz, the head of the Montero Mafia, put \$800,000 on Gen Echeverria's table--his contribution to the coup d'etat. Several days later the architect of the putsch, Garcia Meza, received a still more significant sum, believed to be at least \$1,000,000. The generous donors were Edwin Gasser, the owner of the sugar mill, "La Belgica," and Pedro Bleyer of Santa Cruz' Chamber of Commerce and Industry. These dollars were used chiefly to "convince" the reluctant military and to finance part of the coup d'etat. Some days later, on 17 July 1980, Gen Gracia Meza seized power. Today the sugar mills of Santa Cruz are operating at full capacity; they are being used to launder the dollars of the Colombian and North American traffickers who have come to buy cocaine. By placing their friends in the government the smugglers are assured of total impunity. Never has illicit trade been so flourishing; the American Interpol mission has had to withdraw. How can control be exercised? Several ministers are involved in this very lucrative trade.

According to the customs commander, over 100 clandestine runways are operating in Santa Cruz (see HOY of 22 August 1980). Landing on them are the little planes and the helicopters of those who snap their fingers at the laws: officials or civilians connected with the Bolivian armed forces. Washington authorities estimate the volume of the traffic operations at \$500,000,000 annually.

Three principal groups linked with each other, are obedient to a coordinated leadership:

The Roberto Suarez group can be considered the most dynamic; it is the best protected militarily. Production, evaluated at 20,000 kilograms of basic cocaine paste per year, is provided by the Chavez brothers of Montero and Pepe Paz. They are assisted by commando units composed of German mercenaries and Bolivian paramilitary personnel directed by Paye Gonzales. The little planes of Arce Gomez, the present minister of the Interior, are loaded with freight. Early in 1980 one of the planes had to make a forced landing in Trinidad; 300 kilograms of cocaine were discovered in the hold.

The second group, Jorge Nallar's group, has much larger production: 30,000 kilograms of basic paste per year, refined in the areas of Monteverde, Okinawa, Perseverancia, north of Santa Cruz. Two men, Omar Cassib and Abraham Baptista, direct the commandos. The heads of the traffic are Widen Razuk, the former prefect of Santa Cruz under Banzer, and the Asbuns of La Paz. Since June 1980 Miguel Razuk, the brother of Widen, has been imprisoned in New York for drug trafficking. Miguel Razuk's best friend is Col Rico Toro, chief of the army's Section II (information service).

The third group, that of Alfredo "kutuchi" Gutierrez is directed by the present prefect of Santa Cruz, Oscar Raman Vaca, and Roberto Gasser. It produced 20,000 kilograms annually in the region of Cosorio, Rio Grande and San Javier. The straw man is Mozo Rojas. Roberto Gasser is the son of Edwin Gasser, one of Garcia Meza's backers. It was he who supported Banzer in 1971 when he overthrew the leftist Torres regime. Edwin Gasser spoke this sentence on German television: "Bolivia's German groups financed the coup d'etat, because it was a game to buy the military." Obviously Banzer and his successor, Gen Pendera, have always closed their eyes to the transactions of Santa Cruz' sugar producers and to their relations with Colombian and North American narcotics traffickers.

In June 1980 Gasser junior, the editor of the rightist newspaper EL MUNDO, president of the Santa Cruz Chamber of Commerce and Industry, was arrested in Miami with Alfredo Kutuchi Gutierrez. They had brought into the United States 530 kilograms of cocaine. In addition, they were accused of laundering checks from the traffic.

They will be released after they have paid \$1,000,000 (for Gasser) and \$1,500,000 (for Kutuchi Gutierrez) bail in cash.

Kutuchi's shock groups were organized by Monroy, nicknamed "el Mosca" (The Mouth). Monroy is currently the head of the paramilitary. Monroy was imprisoned as a dealer in drugs under Guevara (June-November 1969). Released by an army officer on 17 July 1980, he seized the Quemado Palace (government headquarters). It was he who directed the taking of the COB (Bolivian Workers' Group) and arrested the principal leaders. For all these operations he uses ambulances stolen from the parking lots of the "insurance funds."

Early in September Monroy left for Canada with four acolytes, all of them armed with diplomatic passports and false identities. Their mission was to kill Jaime Paz Zamora, the leader of the MIR (Revolutionary Left Movement). Monroy was in Paris for several days. In 1971 this same Monroy had already distinguished himself: when Torres fell he had seized 68 kilograms of pure cocaine that had been seized by the police, and resold them.

In June 1979 a certain Romero was arrested in Panama with a shipment of cocaine. He confessed, denouncing his chief--Aviation Col Ariel Coca, the current minister of Education. Ariel Coca chaired the Bolivian delegation to the general conference of UNESCO that was held in Belgrade from 23 to 28 September 1980. Ariel Coca shields the Kutuchi Gutierrez group. Kutuchi's private airport with its 7 km of runway is Bolivia's primary civilian airport. The cadets of the Santa Cruz Military Aviation College train there. But its runways are ordinarily reserved for smuggling, via Asuncion, Miami and Panama.

The Santa Cruz-Panama-Miami line of the LAB [Bolivian Air Line] is very profitable; a tourist can never find a seat, all the chairs are occupied by smugglers. In Miami I learned that six Bolivian consuls are stationed there. The second consul is Roberto Ortiz Saucedo, the cousin of Arce Gomez and the owner of the Caballito Blanco, a Santa Cruz nightclub. Ortiz Saucedo is known to be a consumer of cocaine. Saucedo's sister, Mimi Ortiz Saucedo, is married to Edwin Gasser, the owner of the la Belgica sugar refinery we spoke of earlier. There are also some agents of Lloyd Aero (the Bolivian commercial line) who are heavily involved in the traffic.

The smuggling is such that Jorge Lonsdale, the manufacturer of Bellows, the national whiskey, denounced this black market in the newspaper LA PRESENCIA; foreign whiskey often costs less today than national whiskey. Two accidents involving Bolivian planes that crashed, one in Panama and the other on the Peruvian coast, provided further proof: their holds were full of contraband merchandise. There is even a smugglers' union, the "Union of Retail Sellers," which includes thousands of smugglers who transport the merchandise from border to border. It is a veritable ant-hill; anyone who "falls" is quickly replaced.

Most of the officers of the Bolivian army profit from this smuggling; their automobiles have almost all been imported fraudulently.

Gen Waldo Bernal, the commander of the air force, has just acquired in this way a superb \$300,000 villa in Calacoto, a residential section of La Paz. Now, his monthly salary is \$1,000. Bernal is associated with Edwin Tapia Frontanilla (Banzer's former minister) in a civilian assessors' office. When Banzer was in power Frontanilla did not hesitate to request diplomatic passports for two individuals who were captured in

1975 by the Canadian police when they were transporting drugs. They will be sentenced to 20 years in prison.

Marcelo Ostria Trigo, the present foreign relations secretary, had formed under Banzer (with his consul brother in Italy) a drug network in several Bolivian consulates. The scandal that exploded, by the way, was one of the causes of Banzer's downfall. The advent of Garcia Meza saved Jose Gamara Zorilla, who was since named economic assessor, by a sad piece of deception. Under Banzer Gamara had a budget of \$35,000,000 for the Bolivian games. Just before the 17 July coup d'etat, he was served with a writ for misappropriation of funds. Gamara and attorney Carlos Gonzales are the directors of the los Sargentos equestrian club, whose lounges welcomed Argentinians and were used in preparing for the coup d'etat. In gratitude, Gamara received a new budget of \$1,000,000 and the complaint was withdrawn.

Most of the people of the new Bolivian regime are involved in one traffic or another. To throw people off the scent President Garcia Meza is inaugurating an anti-drug campaign. Up to the present only a few small dealers have been arrested. Will he dare imprison part of his government?

(I cannot sign this article without compromising the Bolivians who took me in and helped me.)

8946
CSO: 5300

RESULTS OF U.S. PRESIDENTIAL ELECTION ANALYZED

PY072114 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Nov 80 p 10

[Editorial: An American Decision]

[Text] Although Ronald Reagan's victory in the U.S. presidential elections is only a surprise because of the magnitude of his victory, it really represents U.S. citizens getting even with those problems that have been tormenting them.

Elections have the virtue of being cathartic: The right to vote, when exercised with regularity, is a sort of exorcism of ghosts; the reappearance of the problem of the U.S. hostages in Iran in the last leg of the elections probably stirred-up in many American citizens the wish to forget in some way this nightmare by turning a page of history.

The overwhelming vote against Carter was not brought about by unreal ghosts or concerns. Experienced analysts have noted that inflation was one of the most important of these concerns--a 14 percent inflation rate--unprecedented by U.S. standards--leaving millions of workers unemployed or threatened with being fired.

Defense was another decisive issue: At the voting tables how many people probably remembered the President's exasperatingly hesitant attitude in important international policy issues, or about the disagreements between the National Security Council and the Secretary of State--disagreements which have worn-out men like Vance and which seemed to be a part of the President's administration? When problems turned more serious Carter decided at a certain time to request the resignation of his entire staff. Unusual as this decision may have been, it gave the impression that the President himself was trying to avoid any personal responsibility.

In this regard the progressive development of soviet diplomacy probably struck as an insult to national pride. In 1971 only 11 percent of Americans approved of an increase in defense costs and 49 percent of them were against it. But in 1979 before the crisis with Iran took place already 60 percent of Americans were in favor of an increase in military spending. But the President was still hesitating. The SALT II treaty was being discussed by the Senate when the problem of the soviet brigades stationed in Cuba came up. The presence of these troops were first described as "inadmissible" but it was later accepted without any further explanations. When the invasion of Afghanistan took place Carter himself requested

Congress to "freeze" the study of the SALT II treaty. The forthcoming elections left the Afghanistan issue out of focus and Carter introduced himself as the paladin of the SALT treaty to confront an adversary who had many objections to it.

In addition to this hesitant attitude there was another issue in the election campaign: The profound transformation of the international situation where the old Roosevelt doctrine brandishing the democratic flag, seemed to be moving toward the precipice. Roosevelt's policy which was based on a carefully studied government intervention program and fulfilled its function in history: It made the country grow. But in 1978 already 76 percent of Americans believed that Washington had become too powerful. The high tax index rate was supporting government intervention and was becoming an obstruction to private initiative and in its role as a true promoter of the economy in a country that had become stronger both socially and economically by Roosevelt's liberal policy.

It was then that the welfare state reached its limit. What did the republican platform offer? A social welfare system could not be financed if the country lacked a powerful private economic sector. The democratic platform did not have any real alternatives to offer to counterbalance this position except to defend what it had already done--and thus took on the burden of the unsatisfactory responsibility of the government machine--the big government. [given in English]

The republicans were able to take advantage of this discontent--and the fact that discontent exists is shown by the unexpected majority they obtained in an election that was predicted to be a very difficult one.

Confronted with these geological movements it was useless to take recourse in clichés--thus following a manichean theory that gave tricky explanations.

Ronald Reagan was not elected because he is a "hawk" or because he is a "rightist"--even less because he is Ronald Reagan.

He was elected by such a strong movement that within a year it transformed a candidate who was being ridiculed into one who virtually destroyed the incumbent president who was seeking reelection.

The reelection of the incumbent president has always been a tradition in U.S. politics. But this time tradition had little influence. If there was any, it was in a more extensive meaning of the word: favored. An extremely agile electoral mechanism the United States is on its feet again and it has returned to its old values after the Watergate moral "crisis" and after the Vietnam War. Reagan summarized all this when after his victory he requested work and dedication from fellow citizens.

Is the new president suitable for his new functions? This question is inappropriate at this time; since Reagan was not elected for his virtues but for having been able--which is no little matter--to tune his instincts to a powerful current for change. It is the U.S. political system that has to be praised for its virtue--mainly because it enables a common citizen to become president.

Eisenhower, whom Reagan points out as his ideal, was no political genius. He governed without any major problems--probably because the times were not as complicated as they are today. But in any period what gives vitality to U.S. political life is to keep its stability but at the same time accept what is new. Reagan has beside him able politicians--beginning with Vice President George Bush. Also beside him is the defeated president, who despite his defeat praised the political process that defeated him. It is this respect for public opinion that minimizes personal vices in the United States. The President is "primus inter pares". The nation has therefore, little to fear.

CS01 3001

NEWSPAPER ANALYZES REAGAN'S ELECTION

PY111612 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Nov 80 p 11

[Article by Barbosa Lima Sobrinho]

[Text] For many people--as for Pompeu de Sousa--the results of the U.S. elections spell some sort of revenge on the part of people who cannot absorb the defeats their country has been experiencing on the world stage, from the withdrawal from Vietnam to the disastrous rescue operation on U.S. hostages in Iran--two cases in which the responsibility of the Pentagon cannot be ignored. These defeats are too much for the pride of an immature and rattlebrained nation. This explains the scramble in search for a national hero in the image of a cowboy--the terrible Indian killer, with his huge hat and with two pistols in his holsters--as played by an experienced actor like Ronald Reagan, despite his doubtful black hair and the unavoidable wrinkles on his long face. We must agree that for such a role Reagan was better qualified than Carter at a time when there is a need to hold onto a vague hope.

Therefore, the surprise factor was the number of votes obtained by the winning candidate. And in looking for explanations, there are those who believe in the influence of his aggressive tone of President Carter's campaign whenever he made personal references to his opponent. Elections are frequently decided at the last moment, so no importance should be attached to the polls conducted by public opinion pollsters. Everything can change from one moment to the next, and even more so with the presence of inflation, which the people of a country that dominates the world economy do not understand. The Americans believe that inflation is the scourge of dependent, not dominant, nations. An inflation of 10 percent represents corporal torture and punishment for the Americans. For other peoples, an inflation of 100 percent is the work of miracle-makers. Hence the revolt staged in last Tuesday's elections. Although the solution was not much to their liking, the Americans chose to jump in the dark; and between the fear of the unknown and the fear of the known, they opted for the former--in the apt phrase of an American journalist.

Let us agree that the unknown leaves a greater margin for hope, for the unpredictable, for surprise. Hitchcock would have said: "For suspense." It at least makes room for the imagination. More so at a time when the impression of Carter's liberalism had already vanished with the growing influence of Brzezinski in the episode of Cyrus Vance's replacement. Brzezinski is a naturalized Polish-American with ideas not perhaps shared even by Reagan.

I do not believe that the election of the Republican Party's candidate will help in strengthening the international position of the United States. But I do believe that it will raise the hopes of General Pinochet and the Bolivian general who is in power. This election has already elicited favorable comments from the Soviet Union, which could not fail to recognize that it will help to make relations between Moscow and Beijing less difficult. In view of Reagan's enthusiasm for the traditional

friendship with Taiwan on this point, there is a great distance between republicans; Nixon visited the PRC ruled by Mao Zedong, but Reagan longs for the alliance with Taiwan, adopting a position that can only draw immediate applause from the Soviet Union.

The difference is not only over the Chinese. The traditional U.S. allies in Europe--Italy, France and the FRG--do not conceal their fears, and this cannot but weaken the ties between the European Union and the United States, especially since the first effect of Reagan's victory was to create a bullish market for the stocks of weapons manufacturers. The sensitivity of the stock market is more significant than that of political circles, and the European countries naturally prefer persuasive action to effective belligerence that will expose them to more sacrifice than the United States, despite the range of nuclear weapons. The European countries feel that way because their proximity to the potential enemy makes them more vulnerable to plain machineguns or even rifles.

True, there are other aspects to be taken into consideration, and the Soviets did so promptly. One of those aspects is Reagan's campaign, with its fiery reactionary oratory during the primaries. When he was trying to attract the votes of conservatives; this was toned down during the presidential campaign, when he was trying to lure the different factions of the American electorate. Another aspect is the President-elect's personality, which is contradictory. He was a confirmed McCarthyite as president of a movie actors association, pointing out suspects; but still he will be favorable to a Rooseveltian new deal at a crucial time for American liberalism. The action of U.S. political parties is fraught with contradictions: President Kennedy supported the invasion of Cuba and President Johnson escalated the war in Vietnam, while Nixon, a Republican president, took the initiative to visit Red China in the most spectacular gesture against the cold war.

In view of those facts, we can ask if the American people really opted for a policy of provocation or defiance by electing Reagan--and everything depends more on the American people than on temporary occupants of the White House, in a democracy in which ultimately public opinion always prevails. After all, the elections do not give the elected president carte blanche for his 4-years mandate. The American electorate is more independent than is generally understood. Even now, when the American electorate gave the republicans a majority in congress--by the slim margin of 57 to 47 votes--it handed the democrats a majority in the Chamber of Deputies by 242 seats against 192 seats. [sentence as published]

By the way, that is another characteristic of the American democracy. The Chamber of Deputies [as published] is renewed every 2 years, thus making the nation's president dependent on public opinion from the start, through pressure applied by his own partisans who consider identification with the sentiments of the people the means to renew the mandates they hold or to gain new ones.

I do not believe that the people who recently demanded the withdrawal of American troops from Vietnam are inclined to new military adventures. I am sure that those sentiments, supported by an independent and extremely militant press, will weight more in the decisions than the personal inclinations that might be held by whoever happens to occupy the White House. But I also believe that Reagan's victory should be above all considered a victory for the multinational companies. And this is no small matter for the rest of the world to absorb.

BRAZIL

COMMENTATOR DISCUSSES REAGAN FOREIGN POLICY

PY071703 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 7 Nov 80

[Article by Newton Carlos from New York]

[Text] U.S. President Ronald Reagan has taken the first steps toward his foreign policy. He wants to reassure allies and adversaries alike that he will act cautiously. He wants to erase as early as possible the image of an irresponsible warrior which President Carter has built for him during the electoral campaign.

It is known that Reagan's foreign policy will be conservative, but not how conservative it will be. Difficult challenges are awaiting him: Relations with the Soviet Union and the Western allies, the Middle East conflict between Israel and the Arabs and the oil supply from the Persian Gulf. There is also Latin America, especially Central America and the Caribbean.

There could be problems with Western allies. For example: The FRG, a powerful and important ally, has just reduced its military expenditures, while Reagan's government is planning the opposite--that is, to increase U.S. military expenditures--and wants the Western allies to do the same. The FRG is also making efforts to maintain detente with the Soviet Union.

The first indication of how conservative Reagan's policy will be will come from his choice of cabinet ministers. Gen Alexander Haig is still being mentioned as the future U.S. Secretary of State, that is, the head of future U.S. diplomacy. This is a very [words indistinct], but not so the others. The choice is not easy. The world situation is very complicated.

CS0: 3001

DAILY SPECULATES ON REAGAN POLICY TOWARD LATIN AMERICA

PY110256 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Nov 80 p 3

[From the "Notes and Information" page: "The West's Last-Ditch Defense"]

[Text] After being elected, Ronald Reagan stated that he intends to meet the Latin American presidents during the first half of next year, that is, as soon as he begins his tenure. Now, in his first meeting with the press, he has made it clear that a firm effort should be made to improve U.S. relations with Latin America, adding that his government will prefer to obtain this improvement through "bilateral agreements so that North America, Central America and South America will be united in their resolve to be free." Reagan noted that U.S.-Latin American relations have experienced a period of deterioration "which must not continue," making an indirect reference to the human rights defense policy implemented by the Carter administration.

In our opinion, all this is mere truism since, after all, from Theodore Roosevelt to Jimmy Carter all U.S. Presidents started their administration with similar words, filled with eloquence, making great promises to the effect of strengthening U.S. relations with the Americas. Cooperation agreements summed up in attractive "slogans" were thus prepared only to be tossed into the waste basket of good intentions at the end of each tenure. In the end, policies such as the "good neighbor policy" proposed by Franklin Delano Roosevelt, the "Pan American operation" proposed by Dwight Eisenhower, and the "alliance for progress" of John Kennedy, were just beautiful programs which existed only on paper, mere documents filled with refined rhetoric. Especially in post-war times, the United States--forced by historical circumstances, it is true--primarily focused its interests on Europe, Indochina, Korea, Formosa, the Middle East and the Persian Gulf, having overlooked Latin America to the detriment of its own interests, having forgotten that our continent is not part of the "Third World" but of the West. "Brazil is the West," Castello Branco [former Brazilian president] used to say. This truth based on geographical, historical and cultural grounds is also applicable to the entire continent.

While the culturally confused "Third World" is a potential victim (at least according to the Kremlin's goals) of totalitarian expansionism, Latin America, despite enduring a pauperized status and political authoritarianism, is today still capable of effectively incorporating Western values, if it receives adequate help. It is neither selfishness nor boastfulness to say that Latin America, with powers such as Brazil, Argentina, Mexico and Chile is the great "reservoir" of the West. Like Europe, or after Europe, Latin American countries deserve to be treated just as the

main European countries were treated under the Marshall Plan. But the problem is that the United States, even in relation to the "slogans" mentioned earlier, has treated Latin America not as a group of individual countries but as an overall abstract group, thus replacing politics with rhetoric. For having forgotten its neighbors, the United States from time to time has experienced surprising events such as those which took place in Cuba, Nicaragua, and Grenada, which could have been perfectly well avoided had the great nation of the north paid due attention to Latin America. In the end, from the standpoint of purely U.S. national interests, Latin America is more important than both Indochina and Afghanistan.

It is, then understandable that the first reaction to Reagan's promises regarding Latin America is one of skepticism, in view of the many bitter disappointments we have endured. Yet, as the saying goes, "hope is the last thing one should lose." The tone with which Reagan referred to Latin America was less rhetorical and more practical than his predecessors. By stating that he seeks to base relations with Latin America on "bilateral agreements," he indicated that he is aware that south of the Rio Grande there is a continent which is not an abstract, undefined whole, but one having an important political reality and containing rising nations which one day will play an important role on the international scene. Still, during the electoral campaign we were surprised to hear a Reagan adviser say, in the face of the almost miraculous political recovery of the small island of Jamaica, that the time has come to give substantial economic aid to Jamaica. Contrary to African and Asian countries, the Latin American countries have not yet been lost by the West and they deserve to be not treated only as countries of the future but as countries carrying some international weight, whose cooperation the United States will some day need as much as, if not more than, European cooperation. From this standpoint, it is worth quoting Fiat President Gianni Agnelli, who in an interview to the Italian press said that "the main foreign policy concerns of U.S. President-elect Ronald Reagan will be centered on the American continent, from Canada to Mexico, Brazil and Argentina." If Agnelli--who is regarded by the Italian press as an expert on U.S. affairs--told the truth, Reagan will be demonstrating that he is a prudent man who is preparing to strengthen a region which one day may become the last-ditch defense of the West.

CSO: 3001

PAPER FORECASTS REAGAN'S POLICY TOWARD USSR

PY101405 Rio de Janeiro SAO PAULO LATIN AMERICA DAILY POST in English 9, 10 Nov 80
p 4

[Editorial: "Reagan and Linkage"]

[Text] Judging by the first few declarations that Ronald Reagan has made as President-elect, one can conclude that his foreign policy as President may not match the tough right-wing rhetoric that he has used for over a decade. But Reagan certainly will take a tougher stance on his approach to the Soviets, and will also de-emphasize the Carter administration's use of human rights as a part of policy making.

The Reagan approach towards the Soviet Union will likely follow the "linkage" system favored by former Secretary of State Henry Kissinger. At his Thursday news conference, Reagan allowed that he would not let human rights considerations harm relations with long-time allies.

In short, what we should expect of the Reagan administration is a continuation of the kind of foreign policy practiced during the Nixon and Ford periods. That will certainly be more "hawkish" than Carter's but not as drastic as some first thought.

The "linkage" theory as practiced by Kissinger means that all Soviet-American relations are considered to be related. No action can be isolated from the totality of relationships between the two nations. Thus, Reagan would likely take Soviet interference in third world areas and "link" that problem with, for instance, arms limitation talks. Carter tended to isolate these problems and proceeded independently on separate issues.

The linkage theory is seen in the Kremlin as a theoretically hostile position and is not likely to help warm Soviet-U.S. relations. But Carter plunged those relations into the deepest chill since the cold war itself after Russia's Afghanistan invasion, so perhaps Reagan's new approach can be effective.

The Russians know full well that Reagan's campaign rhetoric will not necessarily translate into policy. They, like the rest of the world, will now be looking for the specific proposals to be forthcoming from the President-elect and his staff.

CSO: 3001

PAPER BELIEVES REAGAN HAS MADE GOOD BEGINNING

PY101557 Rio de Janeiro O GLOBO in Portuguese 9 Nov 80 p 1

[Editorial: "Reagan's Moderation"]

[Text] The positions outlined by Ronald Reagan during his first press conference as President-elect placed him some distance from the radical positions that has been attributed to him, or which he himself encouraged, perhaps for tactical purposes.

Moreover, the winner of an election in the United States feels the desire to confess, after the results of the balloting are known, that his campaign rhetoric does not correspond exactly to his real attitude. This is part of the American democratic style for the simple reason that it is a system where presidential power is manipulated within a scene of counterbalances and shields of protection [anteparos].

Reagan's most radical statement after the elections refers to freezing the SALT II agreement until it is renegotiated with the Soviet Union. He is not only asking for an equitable agreement for the two parties in the limitation of nuclear weapons, he also wants to have this within an overall context of intentions in which the Soviets would definitely clarify whether they prefer understanding or confrontation.

In the human rights chapter, for example, President Carter's crusade ended up with the United States complicating the lives of friendly countries at the same time that he approved clamorous, and even privileged, exceptions for certain countries which do not respect human rights because they had a part in Washington's strategic interests.

Falling into political and ethical contradictions, or turning a blind eye, as Carter did, Reagan prefers to play only with international reality without stressing missionary whims.

Reagan acknowledges that a task of recovery must be undertaken in Latin America, and he is not proposing anything similar to renewed U.S. interference. He speaks about improving bilateral relations, especially with those countries that are complaining about Washington's treatment. And he will probably let the Panama Canal treaty stand at the point it has reached when he inherits it from Carter.

On the other hand, Ronald Reagan's viewpoints on various internal affairs brought up during the press conference complete the image of the moderate and flexible leader he wishes to project in his role as President-elect. He stated, for example, that he supports equal rights between men and women and that he will take the minorities into account in the organization of his government. It is, without a doubt, a good beginning.

NEWSPAPER PRAISES U.S. DEMOCRACY AT WORK

PY102348 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Nov 80 p 10

[Editorial: "Lessons from the Spectacle"]

[Excerpts] This latest U.S. Presidential election has again offered the world a spectacle which universal opinion should already be used to, but which always causes surprise, not because of the election's results but because of the functioning of a system insuperable in its expression of force and beauty. To understand it, it would be necessary to travel the path the American nation has travelled since its independence, from which--as appropriately said by one of its historians--emerged not only just a nation, but a new society. From the racial and geographical heterogeneity a unity was born that was many times put to the test in contentions against the central power and in attempts to break it up, and which was cemented once and for all by a war that would strip the last separatist ideas from the memory of the nation.

That unity is the foundation for the most perfect democratic regime in history. But just as that unity was achieved throughout the initial and eventful years, the regime has gone through a gradual improvement in a process that is not yet completed and which can serve as an example for other countries, although not as a model to be copied. Any mechanically and thoughtlessly-made copy is at best useless and if made so, it would just be unworkable. The U.S. democracy could only take roots in that country because of the very peculiar circumstances surrounding its historical development. The American nation was born, so to speak, without the stigma of original sin, as were other colonial peoples in general. From its settlers, the United States only inherited two positive traits: The religious tradition responsible for the habit of hard work and saving, and the political tradition of stability underpinned by a visceral respect for the law.

Everything else was done with a spirit of innovation. A regime of a unique nature was thus created and protected by safeguards which were later adopted by other peoples caught up in the confusion of frequent crises, but these safeguards and no anchor in the spirit of those peoples. The founding fathers of the most perfect democracy in history were close to founding an imperial system which was not adopted only because Washington refused to accept the emperor's crown. But the emperor's image lying at the bottom of the collective soul invested on the president of the republic the same psychological and political role of a king: The role of being a symbol of the unity of the people and of being the symbolic guardian of their freedom.

The man representing that role can be a common man, even one embodying the common qualities and also the defects of the American people, and this is a trademark of the evolution of the regime that was led at the beginning by an elite. It was a member of this elite, Washington, who wisely and generously firmed up the tradition that mandates are temporary, as well as the tradition of peaceful transfer of power to the elected. Initiating this tradition, Washington--who had already turned down the king's crown--refused to stay in the presidency for his lifetime and stepped down in perfect health to allow the first debate for succession (between Hamilton and Jefferson) to be conducted in his presence as a protector.

The founders of the American democracy gave it the conditions to thrive and to offer us, once more at the end of this century, the unrivaled spectacle of how to elect a president not by simply trusting in the generosity of fate or in the goodness of God. The original and clever electoral system they devised surrounded the choice of the president with all safeguards against the risks of collective emotionalism. Until 1912 when the constitution was specifically amended, the American Senate was made up of Senators appointed by the legislative assemblies of the states, not elected by the people.

The essence and purity of the regime was preserved for many years until the people were given the right to directly elect the representatives of the union in Congress. The electoral college set up to elect the president has not yet been modified, but it has gradually evolved to the point of becoming a mechanism for direct election--as attested by the election of Ronald Reagan.

The United States has just given us a reminder--now that Brazil is once again on the path toward democracy--that the road to democracy is long and that it must be traveled with caution and without hast to reach its destination. In addition to this lesson, we can draw others from the recent spectacle of the U.S. elections, but it should be sufficient to recall the most important one: That once it is attained, democracy can be defended and strengthened to the extent that it is put in practice. The vigor of democracy depends on the regime itself, not on the force that we have many times used, by mistake and misunderstanding, against democracy under the pretext of protecting it.

CSO: 3001

SOVIETS TO SUPPLY 300,000 TONS OF PETROLEUM THIS YEAR

Rio de Janeiro O GLOBO in Portuguese 19 Oct 80 p 32

[Text] A supply of 300,000 tons of Soviet oil for Brazil by the end of this year has been assured since last Thursday, when negotiations were concluded that involved PETROBRAS [Brazilian Petroleum Corporation]--representing the state oil-importing monopoly--and a private Brazilian businessman--Mario Pacheco Junior, representative in this country for SOYUZNEFTEEXPORT, the state oil company of the Soviet Union. The transaction was for about \$70 million and is equivalent to 20,000 barrels a day at \$33 a barrel.

Mario Pacheco describes himself as an advocate of Brazilian private initiative in foreign trade, on the economic level, and as a liberal, on the political level. He considers this the proper moment for the nation to seek to diversify its petroleum sources and broaden initiatives to this end, as is already being done in relation to Venezuela and the USSR.

Negotiation

At the office of Mapa International Enterprises, where oil business between Moscow and Brazil has been developed in negotiation with PETROBRAS, the businessman points to some tables and graphs that show Brazil's current situation during the war between Iran and Iraq.

"The 440,000 barrels a day that Brazil received from Iraq before the war began made this nation the second-largest buyer of Iraqi petroleum, surpassed only by France, with 560,000 barrels a day. And our current forecasts, based upon information we received from the company's offices in Moscow, Geneva, Paris, London and Lisbon, are that the war will continue for some time," says Pacheco.

Recalling that even after peace is made the two countries will have to face a period of recovery from their damages, Mario Pacheco predicts an increase in the spot-market (parallel market for short-term purchases) petroleum price to as much as \$40 a barrel, under current conditions. And again he points to the graphs:

"The price of oil on the spot market, which had been falling because of the large quantities of oil channeled to this market by middlemen and the Arab governments themselves, is showing signs of recovery. The major ports of this market are Rotterdam, the Caribbean, the Gulf of Mexico and the Persian Gulf, as well as Singapore and some Italian ports."

According to Mapa data, everything indicates that, after a period of retraction in spot-market purchases (and, naturally, in sales, which means the end of a cycle of making profits on the difference in price between the parallel market and the official market), the aggravation of the crisis is again pushing the spot price upward, with a growing participation by intermediaries other than the international petroleum companies.

"Trading companies are constantly more active in oil trade. For example, Cargill and Phillip Brothers (known in Brazil as Phibro Mining, Industry, Trade, Export and Import Company), which is connected with the Anglo-American Corporation of South Africa.

"A large part of world petroleum supplies--including those of East European countries--go through such companies," the businessman says. Clearly the petroleum multinationals and the governments of the producing countries themselves continue with the advantage of proximity to and ownership of the sources.

Indication

An indication of this fact can be found in the data referring to purchases of oil from Iran and Iraq, where the "Others" category--which includes sales in the spot market--reached 325,000 barrels a day before the war, while petroleum companies were buying 510,000 barrels a day. This is without counting the presence of traders at various points of the petroleum-trade circuit, even in government-to-government sales.

"During October," the businessman goes on to say, "pressure from the crisis has increased the price of Arab light crude--used as a benchmark--by up to \$4 a barrel. Under such conditions Brazil can only benefit from buying oil from the Soviets, who also hope to increase their business in this area."

According to Pacheco, petroleum transactions throughout the world are now entirely unlinked from any other type of commercial exchange. But he assumes that reactivation of oil purchases from the USSR opens the way for other goods--such as capital goods and equipment for the energy area--to be negotiated, "complementing orders to Brazilian business.

"But it is well to stress that the Soviets also want to buy more Brazilian goods sold directly by Brazilians. The amount of goods from our country now in the USSR but not exported by Brazilians is enormous, as in the case of canned goods," the businessman says.

Freeze

Oil trade between the USSR and Brazil had been frozen since 1978 because of constant oil price increases and the Soviet priority for countries of East Europe. Between 1974 and 1975, however, understandings between PETROBRAS and SOYUZNETFEEEXPORT--negotiated by Mapa in Rio de Janeiro and in Europe--resulted in supplies of 3 million tons a year of Soviet petroleum--a figure that declined greatly in later years.

FIGUEIREDO IN TERESINA JUSTIFIES CURRENT ECONOMIC POLICY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 80 p 21

[Full text of speech by President Joao Figueiredo at dedication of housing project in Teresina, Piaui, on 17 October: "Struggle Against Unemployment"]

[Text] In a speech given yesterday at Teresina, President Figueiredo regretted that his intention to give more emphasis to social problems is being thwarted by economic difficulties that must be attacked with priority. It would do no good, in his opinion, to see the Brazilian worker with a home, health care and children in school if he could not depend upon employment. "That is why," he added, "the fight against inflation is not producing the expected results either. It is being done in such a way as to avoid recession, as a drop in the rate of inflation at the cost of a social crisis and unemployment would not be desirable."

The president spoke extemporaneously at about 1100 hours from a reviewing stand erected in a public square where a crowd of about 10,000 residents of a housing complex he was dedicating were assembled in the dust and hot sun of the Piaui capital. Preceding his speech, Transportation Minister Eliseu Resende announced that by the end of the year there would be an asphalt highway between Teresina and Brasilia, by way of Barreiras, Bahia; Interior Minister Mario Andreazza pointed out that, upon completing its first 2 years in office, the current administration will have delivered to the public about 2 million economy-type houses; and Governor Lucidio Portella called Figueiredo "the great statesman who has become enshrined in national respect and recognition for the notable work of redemocratization he has been carrying out."

Coming from Sao Luiz, where he had spent the previous day, the president arrived in Teresina a few minutes after 0900 hours, accompanied by ministers Danilo Venturini, chief of the military household; Octavio Medeiros, chief of the SNI [National Intelligence Service]; Mario Andreazza, of the Interior Ministry; Eliseu Resende, of the Transportation Ministry; and Waldyr Arcoverde, of the Health Ministry.

He met few people on the way to Karnak Palace in the center of town. There, before several hundred persons, a Military Police contingent passed in review. He reviewed their parade and later, in the Palace, removed his coat and tie to carry out the program for the visit: dedication of two bridges over the Poti River (he unveiled the plaque on one and merely rode by the other in a car) and a complex of 4,254 low-cost homes. He had lunch in Karnak Palace and then returned to Brasilia shortly after 1400 hours.

While the president was watching the parade of Military Police, someone in the crowd gathered in the square held up a hand-lettered sign saying: "João, why are you persecuting me? The Church." The sign appeared and then disappeared almost instantly, perhaps seized by a security agent.

Figueiredo was in a good mood the whole time, waving to the crowd as he left the palace and later to the few dozen who saw him dedicate one of the bridges located a short distance from the center of town.

Request

Crying a lot and between sobs, Lucia Pereira da Silva, a 45-year-old widow, mother of 6 children, broke through security lines (which, incidentally, were not very rigorous) to approach the car in which President Figueiredo was riding. She wanted to ask for assistance (something such as a pension, she explained) to support her family. The widow managed to speak to the president, who promised to help her, suggesting she send her request to his aide-de-camp.

Struggle Against Unemployment

The following is the full text of President Figueiredo's speech in Teresina:

I want nothing more than to express my thanks for the generous words I have just heard from the governor of the state. Although it is true, as Minister Mario Andreazza said and Minister Eliseu Resende pointed out, that something has been done during my administration for the state of Piauí, I must confess, in all conscience, that the resources allocated for the state's needs have as yet been few. I confess to you all that my intention of giving more emphasis to social matters is being hindered by the economic difficulties the country is passing through. On the one hand, as a result of the world situation and, on the other hand, as a result of our shortage of funds to cope with the energy crisis and with payments for imported petroleum.

If more funds are not being appropriated for housing, health, education and leisure, it is because I also must have sizable funds so that the rate of our development does not fall to the point of not being able to generate new resources so that I may allocate them to the social sector. Above all, it does me no good to have the satisfaction of seeing the Brazilian worker with a decent home, health services and

his children in school if I cannot provide him with employment that enables him to support his family.

And that employment will exist only if I am able to keep up the rate of development that we have had so far. If it is true that the fight against inflation--which I and the cabinet ministers are engaged in so strenuously--has not brought the results that were expected of it, it is because I decided that the process of coping with this evil of inflation was to be carried out in such a way that, on the one hand, would enable the nation to have satisfactory development and, on the other, would not bring on a depression of such a nature that there would be sizable unemployment.

I must admit that the superhuman effort the government is making to avoid unemployment and to generate new jobs is one of the reasons why the rate of inflation is not falling much more rapidly. Nor would it be desirable for inflation to fall sharply at a rate such as we see in other countries of South America, at the cost of a social crisis and mass unemployment. But I have faith in God that, with our energy program, without depending upon imported petroleum, through our own resources and with the effort of Brazilians, we will have--over the medium term if not the short--nearly total independence from imported energy and we will then establish a growth rate that can in fact bring well-being to our people.

Although it is true that the alternative energy program began with slow steps, I can declare in all conscience to the Brazilian people that at least one part of it, PROALCOOL (National Alcohol Program), is already a reality that will save us at least one-fourth of imported petroleum within a period of 3 years. If we are able to overcome the rest of the problem we will have coal and charcoal to replace petroleum; we will have a saving of another one-fourth or a little more in imported petroleum. And if we persist in these two and avail ourselves of other alternative energy sources, we can then look calmly at our balance of payments and return to that development rate we had in 1973.

I will then have funds to give to Piauí, to come here and pay off the debt and, in fact, bring to these people and to this state the progress to which so many are entitled because of your potentialities and the strength of your people.

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CSO: 3001

BANK OFFICIAL SEES FOREIGN BANKS LENDING MORE CAUTIOUSLY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 80 p 30

[Text] The position of large international banks in relation to Brazil will be much more cautious in lending next year. Although, on the one hand, they realize that they will have to continue renewing loans as they become due, they have decided, however, that this recycling will take place in the light of a new criterion: detailed examination of each case.

On the other hand, the new loans--whose amounts will be within well-defined limits so as not to represent an increase in comparison to the capital of each bank--will depend upon examination of the projects for which they are earmarked.

These were the impressions gathered by Prof Theophilo de Azeredo Santos, president of the National Federation of Banks (FENABAN) in discussions he held with various bankers during the International Monetary Fund meeting held in Washington last week.

This means that the international financial system is certain it cannot under any circumstance abandon Brazil to its fate. First, because it would jeopardize their own reliability as banks. Second, because Brazil represents a great economic potential, with its large market and enormous mineral reserves. But it must be borne in mind that bankers are also required to be guided by the viewpoint of their stockholders, which makes them more cautious and more demanding.

In his conversations, Azeredo heard detailed analyses of the excellent financing opportunities for projects such as Carajas (iron ore), Serra Pelada (gold), PROALCOOL [National Alcohol Program], PROCARVAO [National Coal and Charcoal Program?] and various others in the Amazon region. They are areas of application where the bankers are willing to take almost unlimited risks.

These projects require enormous funds for their accomplishment, produce goods that are strategic for industrialized countries and represent proven economic alternatives to petroleum. It can thus be assumed that Brazilian authorities have sufficient maneuvering room to avoid serious constriction of terms for financing the nation's external-account deficit. It is also safe to assume that loans to average-sized and less attractive companies will fall to proportionally lower priority levels in the eyes of the banks. In other words, on the whole, Brazil can maintain the flow of foreign resources needed, but with the drawback that it will be concentrated in new and large projects to the detriment, by outside decision, of a varied range of small undertakings.

A banker from one of the major banks told the FENABAN president that, according to data he has, Brazil in a few years may have a gold output similar to that of South Africa today--the largest gold producer in the Western World.

CARAJAS TO PRODUCE 35 MILLION TONS OF IRON ORE IN 1985

Rio de Janeiro O GLOBO in Portuguese 16 Oct 80 p 25

[Text] Brasilia--The Economic Development Council (CDE) yesterday approved execution of the Carajas project for annual production by the Rio Doce Valley Company of 35 million tons of iron ore beginning in 1985. Mines and Energy Minister Cesar Cals asserted in an interview that approval of the iron ore project represents "the first step toward carrying out the greater Carajas project."

He explained that approval of the Rio Doce Valley Company project, which has already been started by the company, is intended to place it within the context of the greater Carajas project, which provides for development by private enterprise of various other minerals in the region and execution of agriculture and livestock projects. Overall investments are about \$30 billion, to be spent over a 10-year period, providing annual export revenue of \$10 billion. The average price of iron ore is now \$22 a ton.

Cesar Cals announced that, of the \$2.5 billion to be invested in the Carajas iron ore project, 40 percent will come from the Rio Doce Valley Company's own funds and 60 percent from loans. Of the expected production of 35 million tons per year, 25 million is already contracted with the foreign market, essentially Europe and Japan, and the remaining 10 million tons will be for the domestic market, providing raw material for production of pig iron, sponge iron, ferroalloys and semi-finished steel, which will be carried out by private enterprise.

Projects

Without actually revealing which economic groups are interested in establishing projects in Carajas, Minister Cesar Cals reported that there is also a project for producing 5 million tons of sinter (metallurgical coal) with planned investments of \$260 million, to provide annual revenue of \$150 million.

There is also a project to produce 7 million tons of pig iron, budgeted at \$2 billion, that will lead to revenues of \$800 million annually. Another project is for production of 2 million tons annually of sponge iron, with investments of \$500 million and sales of \$220 million. And another is production of 1.6 million tons of ferronickel, budgeted at \$1.1 billion, with expected receipts of \$400 million a year.

There is a project for producing 150 million tons of ferromanganese, with investments of \$220 million per year (as published). For producing semi-finished steel, there is a project for 10 million tons a year, with planned investments of \$9 billion and annual revenues of \$5 billion.

Gold

Minister Cesar Cals revealed that gold production in Carajas, including the deposits of Serra das Andorinhas and the metal associated with the Carajas copper, should reach 6.5 tons annually, which represents the nation's current official production.

In regard to other nonferrous minerals, Cals announced that plans exist for producing 2 million tons of bauxite, 640,000 tons of alumina and 320,000 tons of aluminum, with aggregate investments forecast at \$2.4 billion and revenues of \$728 million a year.

According to him, a project will also be executed for producing 1 million tons of copper concentrate and 160,000 tons of metallic copper. Of the output of copper concentrate, 50 percent will go to the Caraiiba Metals project in Bahia and 50 percent toward production of metallic copper in the region.

Agriculture and Livestock

Cesar Cals reported that production of wood charcoal will involve an area of 179,000 hectares, for which an investment of 1.3 billion cruzeiros (as published) and annual revenue of \$420 million is forecast.

In the agricultural sector, he said that 1.5 million hectares are to be incorporated and divided into modules intended for producing rice, corn, beans, manioc, soybeans, sugar cane, African oil palm, babassu and other crops. Needed investments are estimated at \$570 million and will result in annual revenue of \$830 million.

In the livestock sector, 1 million hectares will be used, also divided into modules, for the purpose of achieving annual production of 100,000 tons of cattle, with investments of about \$350 million and revenue of \$223 million.

Energy

Electric power will be supplied by Tucuruí Hydroelectric, which will produce 3.9 million kilowatts in its first phase and 4 million kilowatts in its second phase. There are also plans for constructing the Santa Isabel (1.6 million kilowatts) and Carolina (2 million kilowatts) hydroelectric stations.

Shipment of all production will be made by the Carajas-Ponta de Madeira (Maranhão) Railroad and by boat on the Tocantins River to the Vila do Conde port in Belém.

8834

CSO: 3001

TRADE DEFICIT THROUGH SEPTEMBER PUT AT \$2.9 BILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 80 p 30

[Text] The Brazilian trade deficit from January through September this year must have been about \$2.9 billion, according to an estimate made yesterday by Finance Minister Ernane Galveas in revealing that, based upon preliminary data, last month Brazil imported about \$2.1 billion--the highest monthly total of imports in the history of Brazilian trade--while exports are not likely to have reached \$1.7 billion. If these figures are confirmed, the trade deficit in September was over \$400 million--one of the highest this year.

On petroleum alone the nation spent about \$890 million--an amount that was surpassed only in April, when Brazil spent \$910 million on imported oil. On the export side, coffee sales, from which the government expected a greater contribution during the second 6 months, brought in only \$170 million.

The finance minister confirmed that the latest attempt to reduce the trade deficit is approval of additional export quotas for restricted products, such as textiles, footwear and steel, besides those for soybeans and their derivatives, which have been arranged. Another mechanism to help in this effort is reduction of Export Tax rates. Galveas acknowledges that there is a very serious dilemma between permitting higher export quotas and keeping the domestic market supplied, so as not to have problems with consumption. Imports of food--corn, rice, potatoes and garlic--also were a burden on the trade balance.

Despite this \$2.9 billion deficit during the first 9 months of the year--beyond the government's most pessimistic expectation--the finance minister predicts a "substantial" reduction of this amount. He said he is counting on additional exports and a reduction in imports of petroleum and other raw materials. Galveas believes that by the end of the year the deficit may be around \$2.5 billion. Before the September outcome, his estimate was about \$2 billion.

The finance minister also pointed out that the inflation indices this month should be significantly higher than those of the previous month, mainly due to higher prices for petroleum derivatives.

8834

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POLITICIANS, CHURCH OFFICIALS COMMENT ON PRIESTS'S EXPULSION

PY031606 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 3 Nov 80

[By correspondent (Carlos Rodriguez) from Brasilia--recorded]

[Text] There is no denying that the relations between the church and the state remain tense. In congress the opposition scores and the Social Democratic Party [PDS] supports the decision of the government to expel Father Vito Miracapillo.

Father Vito is already in Italy but one question still remains unanswered: What will be the repercussions of this expulsion? From the political viewpoint, even in the opinion of some PDS parliamentarians, this measure could undermine the image of the government and the PDS and harm them in times of election. This opinion, however, is not shared by PDS leader Deputy Hugo Mardini.

[Begin Mardini recording] First of all we were not the ones who decided on the expulsion of the priest. He himself is to blame for the decision of the government to expel him because he refused to hold Mass on the occasion of Brazilian Independence Day on 7 September.

Everyone sees it this way, and besides the Brazilian people are enlightened and no longer allow their electoral decisions to be swayed by anything but their consciences and cultural background. [End recording]

In the north and northeast there are several areas of tension where the church has taken the weakest side and there are rumors that more priests will be expelled.

Luciano Mendes Almeida, secretary general of the National Conference of Brazilian Bishops [CNBB], has explained his own viewpoint to this radio station.

[Begin Mendes Almeida recording] I am sorry to say that there are some points of conflict which must be solved as soon as possible and I have no doubts that the government is well-disposed toward providing a solution to these conflicts. Sometimes the solution is long in coming and difficult situations crop up.

There is also the fact that many persons are worried about the measures which might be directed against other priests. I must admit that we have no information of such measures and I do hope that none will be implemented, since Father Miracapillo's affair has had a marked effect on the fulfillment of the church's mission. [End recording]

The Father Miracapillo affair is bound to elicit still more reactions when President Figueiredo meets with the apostolic nuncio. Cardinal (Carmino Roco) indicated that the Miracapillo affair could be among the issues to be discussed at these talks and (?avoided) giving any further information concerning the development of the case.

BRIEFS

ARMS PURCHASE FROM KOREA--Brazil is likely to purchase artillery equipment from South Korea. An Army delegation headed by Major Gen Mauricio de Freitas Moraes, military engineer in charge of the Salvage Directorate, departed for South Korea yesterday. Majors Cesar Rogerio Mathias and Jose Dante Alegretti were also in the delegation. The three officers will travel as members of the Materiel Inspection Commission provided for in the purchase contract for the artillery equipment. The contract was signed between the Brazilian government and the International Trade Group Limited (ITG). They will remain in South Korea until 24 October in order to fulfill the provisions of clauses of that document. The mission is considered "incidental and of a military nature," according to a ministerial directive. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 80 p 6] 8834

STEEL PRODUCTION DATA--Steel production in Brazil increased 10.8 percent in January through September of this year, reaching 11,346,000 tons compared to 10,237,000 tons in the same period last year, as announced yesterday by the IBS (Brazilian Iron and Steel Institute). In September 1,259,000 tons were produced, 5.5 percent more than the production of the same month in 1979. According to the IBS, production of rolled steel--9,423,000 tons--was 9.2 percent greater than that of January through September last year. Flat-rolled steel totaled 5,244,000 tons and nonflat-rolled steel was 4,178,000 tons, which were increases of 7.1 and 12.1 percent respectively. In September rolled steel reached 1,037,000 tons, 1.6 percent higher than 1979 production. Pig iron produced by integrated mills during the 9 months totaled 7,665,000 tons, compared to 6,978,000 tons the previous year, representing an increase of 9.9 percent. By region, September production had the following distribution: Minas Gerais, 467,000 tons; Sao Paulo, 390,000 tons; Rio de Janeiro, 294,000 tons; and other states, 106,800 tons. In September, production of pig iron by the integrated mills--without including independent producers--was 833,000 tons, compared to 809,000 tons in the same month of 1979, increasing 2.9 percent. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Oct 80 p 16] 8834

DECLINE IN CRUZEIRO--Brasilia--Beginning today, the cruzeiro is devalued an additional 1.551 percent against the U.S. dollar, which is now purchased nationwide for 58.28 cruzeiros and sold for 58.48 cruzeiros, in the 16th minidevaluation of the year, 15 days after the 23 September readjustment. The 1.551 percent increase was added to the prevailing purchase rate of 57.39 cruzeiros and raises the cumulative increase since 31 December 1979 to 37.68 percent. With the increasingly remote possibility of a maxidevaluation, the fortnightly minidevaluations of the cruzeiro still have a margin of 5.389 percent until the end of the year within the new goal of 50 percent preestablished by the monetary authorities. Initially, it was 45

percent. Should this new goal of 50 percent exchange devaluation for the period from July 1980 through June 1981 not be revised, the cruzeiro will be devalued about 40 percent by that date, as it has already lost 9.721 percent of its purchasing power against the U.S. dollar since 1 July. [Text] [Rio de Janeiro O GLOBO in Portuguese 9 Oct 80 p 17] 8834

RISE IN INDUSTRIAL PRODUCTION--Brazilian industrial production increased 6.45 percent in the 12 months ending with August of this year, according to data reported yesterday by the Brazilian Institute of Geography and Statistics. Production of petroleum derivatives fell 3.5 percent. The increase for the first 8 months of this year over the corresponding period last year was 7.32 percent. During the 12-month period, there was also a drop of 0.2 percent in production of automotive vehicles and about 4 percent in production of tobacco. The largest increases in the same period were in mineral extraction (18.3 percent), plastic goods (14.8 percent) and machinery and electrical and communications material (about 12 percent). The IBGE [Brazilian Institute of Geography and Statistics] data indicate that in the last 12 months capital goods production increased 4.2 percent, intermediate goods production increased 7.3 percent and consumer goods production increased 4.3 percent. In the last item, durable consumer goods production increased 8.9 percent. Durable consumer goods also had the biggest increase over July--7.8 percent. [Text] [Rio de Janeiro O GLOBO in Portuguese 9 Oct 80 p 18] 8834

SENATORS COMMENT ON REAGAN'S ELECTION--Senator Francisco Leite Chaves [Brazilian Labor Party, Parana State] today warned the Brazilian Government about the reactionary ideas--which would be contrary to our national interests--contained in an interview granted to the press by a foreign policy adviser of U.S. President-elect Ronald Reagan. He believes the Brazilian Government officials should look with concern on the new U.S. Government because Brazil cannot go along with a policy marked by submissiveness. After expressing his concern about the upcoming Reagan administration's promises of adopting a tough stance, Leite Chaves praised President Carter whom he regarded as the greatest President of recent times. Senator Luiz Cavalcante said he preferred Reagan, while Senator Gilvan Rocha noted that the U.S. elections have confirmed that there are neither friends nor enemies, but countries which are either strong or weak from the commercial viewpoint. [Text] [PY102351 Brasilia Domestic Service in Portuguese 2200 GMT 10 Nov 80]

TRADE BALANCE DEFICIT--From January through September, Brazil's balance of trade has accumulated a deficit of \$2.8. This is the difference between \$17.2 worth of imports and 14.4 of exports. The finance ministry has explained that this is the greatest 9-month deficit since 1974 when the petroleum crisis was at its peak and it is exactly twice as large as in the first 9 months of 1979. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 80 p 1 PY]

FUEL FROM VEGETABLE OILS--The Energy System Production Company of Ceara State has disclosed the development of a chemical process whereby vegetable oils from cotton, peanuts, coconuts, African palm trees (dende), oiticica, castor beans and others can be transformed into a fuel with properties comparable to those of diesel oil. The process has already been granted a patent by the National Industry Property Institute and a prototype plant is already manufacturing the product, which has been given the name "prodiesel." This product is currently being tested at official laboratories. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Oct 80 p 27 PY]

TEACHERS ON STRIKE--Porto Alegre--Demanding a 45.27 percent salary readjustment, 100,000 teachers in Rio Grande do Sul state schools have gone on strike. The movement has stopped activities in 442 schools in the state's capital Porto Alegre and has been joined by 80 to 90 percent of teachers throughout the state. [PY042205 Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Nov 80 p 14 PY]

CSO: 3001

CHILE

REACTION TO PDC LEADER ZALDIVAR'S FORCED EXILE

Speculation on Reasons for Action

Santiago HOY in Spanish 22-28 Oct 80 pp 8-10

[Article by Ignacio Gonzalez Camus: "The 'Debts' of a Dissident"]

[Text] On Thursday the 16th a relative arrived at the home of the Zaldivar family which was stunned by the government's decision. The relative had been inquiring about--at the level closest to where the decision was made--how firm the decision made by the government was. He shook his head. "There is no case. The 'yeses' won."

It had not been that simple. During the course of reviewing the decision, there was disagreement at the Diego Portales Building, the relative was able to ascertain during his inquiry.

The government's hand, after remaining extended to prominent political figures, closed into a tight fist. The leader of the PDC [Christian Democratic Party], Andres Zaldivar, could not reenter the country because of statements he is alleged to have made to the Mexican daily UNO MAS UNO (See the following article).

Above an overwhelmingly gray backdrop, typical of a country where there have been no "political events" since last month's plebiscite, this mushroom cloud loomed resplendant and threatening, the result of a human decision. The thread of events had seemed so normal that they appeared like a provincial siesta. Reverend Raul Hasbun was pleased with the peaceful situation and on his return from Europe he hailed the situation he found. He found a changed Chile. There is a good, calm feeling," he said reassuringly.

Zaldivar left Santiago on 3 October on a 20 day trip. The chapter on the plebiscite was closed. The positions were established. That is why the government's decision was so devastating. There also was an intangible but comforting element. It was believed that the assurances, to the effect that the regime did not "hold any blank checks," given by sectors favoring an "opening" before and after 11 September were still in effect. No one expected anyone to call in some debt that was outstanding since the start of the plebiscite campaign.

Limits--However, conditions have been placed on the doves. It is perfectly all right to have differences but the legitimacy of the regime must be kept in mind and

Marxist factions cannot be considered as valid players. If dissidence from the center and center-left is expressed along accepted avenues what problem could arise?

The government's charges against Zaldívar included precisely those demands set aside as requirements for surviving. The former senator is accused of seeking to divide and, what is more, cause the armed forces to revolt by saying that he expected the rise of "officers who favored democracy" to form a civilian-military government and by refusing to accept the "existing legal order and the one which was just approved."

Thus Zaldívar was placed in a situation not unlike that of 10,000 Chileans who are not allowed to return to Chile, according to figures made available to Chilean ambassadors at the start of the year by the Interior Ministry.

However, the reason on which the government based its decision--certain statements made abroad to a Mexican daily--was denied not only by Zaldívar but also by the journalist who allegedly interviewed him as well as by the newspaper itself. As a result, the regime's decision was without foundation. Pinochet's former press secretary, Federico Willoughby, defended the decision although he conceded that it was based on "unsubstantiated and unreliable" reports.

A new statement by the government contained a small development. Its original decision was a preventive measure and was not meant as a sanction. The decision would be reviewed if Zaldívar "made a proper retraction" and if he would promise "officially and publicly to respect the framework of our legal system."

Retroactive Scope?--The Zaldívar Larrain family interpreted the move as more than sanctioning of an isolated incident. In their opinion it was an effort to punish a collection of opposing positions. Attorney Adolfo Zaldívar told HOY that it had been proved that his brother had not been in Mexico or granted an interview. He added: "In the meantime, if the measure isn't reconsidered, it will be obvious that the reason for the decision is that the regime considers him to be a political dissident."

The initial reaction to the incident was a questioning of the tacit "statute of guarantees" which had been displayed before the groups that are permitted to operate in this new society by the "supporters of a democratic opening." HOY mentioned the president of the New Democracy group, Roberto Pulido.

"I would have been in complete agreement with the measure if Zaldívar had actually made the statements. But he has already explained the situation. Once it was confirmed that he did not make the statements, then I believe that the decision should be revoked. In addition, it would mean that he recognizes the existing framework and continues to be a politician who works within the acceptable limits of public action and politics in our country. This is an indication of how the international press lies, how it comes to distort the statements of an opposition leader to hurt Chile."

Other supporters of a "democratic opening" preferred not to be quoted but they assured HOY that unofficial efforts were made to have the government back off from its decision. They preferred not to make statements, feeling that "it could be more harmful than helpful."

Repercussions--One of the factors which had a major impact on the review of the government's decision was concern over international repercussions resulting from the refusal to allow Zaldívar to return to Chile. At least until the plebiscite was held, the government's position was skeptical and pragmatic at the same time. It was not possible to give ground on the chosen institutional road in exchange for international recognition which, on the other hand, would not necessarily be completely forthcoming. There were certain domestic measures which had to be adopted regardless of other considerations.

However, there was a ray of hope. Brazilian President Joao Baptista Figueiredo visited Chile and invited Augusto Pinochet to Brazil. But wouldn't this spoil the effect? International commentator Alejandro Magnet in a news analysis over Radio Cooperative pointed out that the decision against Zaldívar placed Figueiredo "in an uncomfortable position" because of congressional opposition in his country. Congress criticized his visit to Santiago because "to a certain extent it implied a diplomatic pat on the back for General Pinochet's regime."

PDC leaders told HOY that Zaldívar received telephone messages of solidarity in Rome (where he is in semi-exile pending a permanent decision by the government) from the prime ministers of Spain, Belgium and Holland, from West German CDU /Christian Democratic Union/ leader Helmut Kohl, from the president and vice president of Ecuador and President Luis Herrera Campins of Venezuela.

They added that UN Secretary General Kurt Waldheim sent a cable to Pinochet and that both Madrid and Washington sent messages to the Chilean ambassadors in their respective countries. The Vatican, the sources said, contacted the Chilean ambassador to the Holy See, Hector Riesle, and the Chilean representative on the mediation team, Enrique Bernstein.

For his part, the president of the World Union of Christian Democrats, Mariano Rumor, made an appeal in Rome to international political and social forces to begin "at every turn" action against the measure.

Action Taken--The actions of the Chilean Christian Democrats in response to the government's decision are based on a deliberate and calm strategy in which the initial effort was left up to Zaldívar. The former senator took a stand with the backing of his parents, brothers and four daughters: He is not ready to compromise his principles to gain permission to return.

He made this clear in the statement he issued in Rome on 18 October. He said he was trained to respect the law and that is why he feels he has the right to maintain and express differences with developments in Chile. "I have no doubts about what my conduct should be," he added. He stressed that the only road to democracy was the peaceful road.

The "Zaldívar case" has laid bare another serious problem, that of setting moral limits. Where is the subtle and just line of disagreement with governments against whom there is substantial opposition? Up until what point must one obey?

With the cards on the table, the Interior Minister reported on Monday the 20th that he would reconsider the decision if Zaldívar signs a formal statement prepared by the government before a Chilean consul in which he promises to accept

the duly constituted authority, the existing legal system and the new constitution. It definitely is a limited option. It is a promise designed to place a "man of ideas," which is what a politician is, in a very difficult position.

HOY Editorial Protests Action

Santiago HOY in Spanish 22-28 Oct 80 p 7

[Editorial by Emilio Filippi: "In the Wake of a Decision"]

[Text] A Mexican newspaper published statements it attributed to PDC President Andres Zaldivar when he was in Israel. During the alleged interview the opposition leader is pictured as making statements which the government felt threatened domestic peace and led it to announce that Zaldivar could not return to Chile.

Not long after the contents of the interview and the government's decision were made public, the former finance minister hastened to put things in order. The Mexican daily did the same by stating that "it had inexcusably interpolated" the compromising and false statements. Later it was clearly seen that Zaldivar not only had not granted an interview to the foreign newsman but that the statements which were quoted correctly came from a press conference Zaldivar held in Santiago before the plebiscite was held.

These are the facts.

As this column was being written, the Minister of the Interior had not yet reconsidered the expulsion order. However, Zaldivar clearly went on record as being a man who is mindful of the law, who has always worked within its limits and, even though he is clearly and publicly in the opposition, this has never placed him nor does it now among the ranks of those favoring sedition and violence.

This was acknowledged even by some newspapers which unquestionably support the present regime and on many occasions, as is natural, have disagreed with former Minister Zaldivar.

We have never supported this kind of repressive action. We believe that it is in Chile's best interest to be tolerant of others opinions--even though sometimes they are unpleasant--and we believe that when a crime is committed through free speech then it should be handled by the appropriate courts with an impartial and fair trial.

If injustices are committed even in the judicial process, can we not expect them to occur with even greater frequency when unilateral administrative decisions are made by an individual who is judge and jury? In the case under discussion, there is no question that the decision was made hastily because punishment was imposed for an error that was not committed. The case is worse than that because the victim not only did not say what the Mexican daily attributed to him but his views are just the opposite.

And it is interesting to note that some government politicians have taken advantage of the situation, have made use of the government's decision to express their fanaticism and hate despite the fact that they claim to "represent public

opinion." The same people who earlier demanded respect for their opinions, who organized armed militias or conspired openly, today express shock because there are people who use the road of non-violence and peaceful opposition to express frank and loyal criticism with government policy.

If it is true that we are starting to move down the road of transition towards a more vigorous institutional system, it would be well for those who call themselves government supporters to be consistent. The transition period requires that great step-by-step progress, including the state of emergency, so that the country can develop politically. This can only be done by creating conditions for peaceful coexistence. And we all know that political and social coexistence means living in the company of other whose customs, opinions, aspirations and views are different. To achieve this it is necessary to have mutual respect which after all is nothing more than tolerance. In other words, the opposite of fanaticism and intolerance.

GROUP OF 24 ISSUES PROTEST

WASH DC 11 (UPI) - A group of 24 Chilean lawyers yesterday

(Text) The Constitutional Study Group, the so-called Group of 24, yesterday released a statement protesting the decision forbidding Andres Zaldivar to return to Chile and expressing its support for the family. Following is the text of that statement whose final paragraph points out that the majority of the Group's members are attorneys who view their action to be in the service of freedom:

The government adopted the decision because it believed attorney Zaldivar made statements to a foreign daily which it viewed as crimes against the state. Mr. Zaldivar denied the charges saying he did not make the statements attributed to him. The daily itself corroborated Zaldivar's denial and stated that "inexcusable interpolations" were made in the original. The denials did not satisfy the government which has demanded that Zaldivar promise to officially and publicly respect the framework of what it calls "our legal system."

Mr. Zaldivar issued another statement saying that as an attorney he respects and has always respected the law, but this did not satisfy the Ministry of the Interior which is requiring Zaldivar to go before a Chilean consul and sign a statement regarding the UNIA in which he promises to "respect the duly constituted authority, the existing legal structure and the new political constitution approved during the 11 September plebiscite." This is the price he must pay if he wishes to return to Chile.

It is ironic that the government's position we have just described constitutes a threat to Zaldivar's basic human rights such as free speech and the right to return to his home and live in his country as guaranteed in international documents and treaties and provisions, in the constitutional documents prepared by the government and the constitution itself which the government promulgated. Indeed, the government's decision was made because Zaldivar is a well-known critic and opponent of the regime in power. On the other hand, it is very ironic that the government is trying to force recognition of and submission to what it calls "our legal system" since, as it has proclaimed, the constitution is promulgated with the support of an overwhelming majority of the people.

Since the creation of our organization, the Constitutional Study Group understood that it was its civic duty to promote, through study and free examination, the basis for a broad democratic agreement to serve as the foundation of the future institutional system. At its center lies the full and real exercise of human rights--which ethically rank higher than any other in the legal order--as an insurmountable barrier against the spread of state power so that no public institution or official can, in exercising their functions, under any circumstances violate or ignore these rights.

Within that frame of reference, our group recently signed a solemn commitment to democracy "as the only system that is compatible with the values of liberty, equality and participation, that is based on the people's right to govern themselves and which guarantees the effective existence of human rights." In keeping with this position, we assumed the duties of fighting in our country for the restoration of public liberties, full enforcement of the Declaration of Universal Human Rights and the complementary pacts ratified by Chile, the re-establishment of unity among Chileans and an end to all forms of repression, terrorism or exile, to defend as a nation the dignity of the individual, to express solidarity with the persecuted and to give moral and material support to the victims of repression.

These events lead us to vigorously protest the violation of the basic rights of a very honorable Chilean like Andres Zaldivar Larrain and to express our solidarity with him and his family. We also protest the veiled threats in the government's documents mentioned earlier against those of us who disagree with the regime's proposals and procedures. We once again warn that the government's action delays the possibilities of obtaining true internal peace based on justice and achieving national unity because, on the contrary, it accentuates the conditions leading to an ever growing dangerous polarization.

Group of 24
Santiago, 24 October 1980

Jorge Edwards Calls for Repeal

Santiago TERCERA DE LA HORA in Spanish 24 Oct 80 p 3

[Article by Jorge Edwards: "The Case of Andres Zaldivar"]

[Text] I left on a trip a little over a month ago when the echoes of the 11 September plebiscite campaign had not yet died down. We had been called on to vote "yes" or "no" on a new constitution. Many of us maintained that the campaign was not balanced because most of the press and TV coverage was given to the supporters of the new constitution.

There was, however, small but tangible space given to those wishing to dissent and one of the most prominent opponents, one of the visible leaders, was Andres Zaldivar. His position and that of all opponents to the new constitution, including myself, provoked "standard" and predictable criticism from what could be called the leftist flank: Support for a "no" vote in actuality meant to play the government's game. In other words, it would make the anticipated "yes" vote, which also seemed very predictable, legitimate.

The truth is that at that time I never heard Andres Zaldivar make a statement which could be construed as being subversive and I followed the campaign very closely. Misstatement and subversion are two completely different things. They are almost conflicting ideas. And I believe that we would be in great danger, that national unity would be threatened if we did not fully understand this difference. Our motto for order which has always characterized Chile, according to the best Hispanic American writers, that stability which made us stand out from other republics in the past, is nothing more than a capacity to coexist in the midst of diversity. The only function of a political constitution, the only essential function, has been to create a framework for coexistence.

Later, while in Washington, I was surprised to learn that an article from a little known Mexican newspaper had been used to prevent Andres Zaldivar from returning to Chile. I don't know what the article said, but I do know that Zaldivar issued a denial and that the Mexican daily supported his denial and, in the process, filed the report.

This is for an initiative which Zaldivar is now being asked to sign is not, unfortunately, leading us to modern society. It corresponds to the purification ceremony of Ferdinand VII and to the self-criticism of present-day totalitarian society, but not a healthy state. During this trip I met with Cuban dissident poet Beatriz Balboa and I can assure you that I learned much about the subject of self-criticism. Has an effort been made to keep this from happening in Chile? Would that the progress of events of recent years?

The action against Zaldivar places us all face to face with the following alternative: humiliation or exile. I deliberately used the word "everyone" because it would not be too difficult for today's conformists to become tomorrow's dissidents. I don't make mention of people who voted "yes" only a month and a half ago and yesterday disaster, or at least feel very uncomfortable, with the decision against Zaldivar.

Without having consulted anyone, I believe that it would be reasonable to revoke the decision and I am convinced that the great majority of Chileans would be willing to do it. Revoked.

Rodriguez Gress Defends Action

Washington ILM/RA 10 LA HRA in Spanish 26 Oct 86 p 1

Article in Latin American Press: "Zaldivar's Expulsion"

[Text] The first duty of the government is to respect the law and to have it respected. This is a very important prerequisite for peaceful coexistence in Chile. If the government violates the law or if it allows the law to be violated, all social order and stability will be destroyed and anarchy would take over the country.

Since 1980, while the military government has consolidated its power and suppressed the democratic system, the "professional politicians" seem to have lost their common sense and right of reality. Instead of adapting their strategies to the new conditions, their views have crystallized and they ignore the course of events. The mistake has a price for the government as well as for the people.

Desperation is always a poor adviser. For example, the political opposition argued that the plebiscite would be a monumental "election fraud." They directed their criticism in this direction for the obvious purpose of disavowing the results. Later, faced with the exemplary fairness of the plebiscite--which the majority of Chileans admit without hesitation--there is talk of "political fraud," a euphemism for their stupidity and obfuscation.

But more serious by far, I believe, is the fact that the denigrating campaign is not directed at the Chileans but rather at foreign political groups which for 7 years have maintained a hostile position towards the military regime. The same old leaders of traditional party politics travel periodically to the five continents to discuss Chile's internal situation and to discredit the armed forces. They thus heighten the virulence with which Soviet and Cuban activists combat the political situation Chile is experiencing. Unpatriotically they encourage the attacks on us and they poison even more the international atmosphere at a very delicate moment given the boundary disputes we must face.

Existing Legislation

On 17 October 1973 the military government junta through Decree Law No. 78 "recessed all political parties, organizations, groups, factions and movements not covered by Decree Law No. 77 of 8 October 1973" which outlawed Marxist groups and parties.

Later, on 12 March 1977 Decree Law No. 1,697 "dissolved all political parties, organizations, groups, factions or movements" not covered by Decree Law No. 77.

From this we can see that party politics is illegal and that communism, regardless of how it operates, is an illegal association which has been defined as a crime.

This does not mean, as some superficial opponents claim, that political ideas are banned. What has been banned are partisan tasks or participation in proselytizing campaigns which are characteristic of political parties.

I accept, as I have said on many occasions, the grounds on which the government's decision is based. Prolonged partisan silence is the only way to revamp our political habits and help us out of the crisis we were in in September of 1973. The activities of this administration, supported by two out of every three Chileans who voted to have it continue in power, are the best proof of popular support for the inspiring principles of the military government.

Zaldivar's Conduct

In an interview with a Santiago daily on 7 February 1979 with the above mentioned legislation still in force, Zaldivar announced that his party had not disbanded and that it was still intact. Later, he very bluntly said that he did not respect the laws outlawing political activity and he took it upon himself to judge their moral and legal basis. We can imagine what would happen if everyone in Chile would do the same thing. It would be impossible to keep order and the law of the jungle would prevail. Paradoxically, these individuals are the same ones who confidently and irritatingly speak of democracy and a state of law.

On 15 September, after the results of the plebiscite were made public, Zaldívar, speaking on Peruvian television in the name of "his party," insisted that "a great fraud" had been perpetrated, called the government a dictatorship and blamed it for monumental deceit. He made similar statements in the 22 September issue of VISION in which he slanders the president of the republic.

Even if the "extrapolations" /sic/ (read lies) are omitted, Zaldívar's statements in Mexican daily UNO MAS UNO, which he did not deny until after he learned of the preventive expulsion measure, are nothing more than a reaffirmation of his previous statements in which he ignores the moratorium on political activities, disregards the law outlawing political parties and makes slanderous remarks about government machinations to win the plebiscite.

There is no need to continue. It is sufficient to remember that Zaldívar calls himself the president of the Christian Democratic Party, a title which he uses to mock existing legislation on the subject.

The decision then is fully based on laws that are in force and it has been adopted with sufficient reason.

But the government, taking pride in its level of tolerance, has said it is willing to reconsider its decision if Zaldívar formally agrees to respect the law, constitutional authority and the new constitution approved by the people. This position demonstrates the justice with which the Minister of the Interior is acting and his reason for making this painful decision.

It doesn't seem possible that under these circumstances resentment or prejudice could exist against the government, that individuals could question the government's authority to make a decision that was necessary to safeguard internal law and order and Chile's sovereignty.

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700: 1010

KHOMENYI BLAMED FOR RIFT WITH SUNNIS, ARABS

Bogota EL SIGLO in Spanish 4 Oct 80 p 4

[Editorial by Fernando Buitrago: "Khomeyni, the Man Responsible"]

[Text] Fernando Buitrago, 41, is a veteran journalist of the spoken and written press. Currently he edits the television newscast entitled "Seven Days in the World."

Rather than a limited war, the current conflict between Iraq and Iran is religious, with Sunni Moslems against Shiite Moslems. It is also a war between two national groups with a deadly hatred for each other: the Arabs and the Persians. And within the Arabs and the Persians there are the Turks and the Kurds. For the time being the conflict fits within this framework. Up to a certain point, East and West having nothing to do with it. However it is very possible that they will find themselves involved. Russia and the United States have adopted cautious policies. Mr Gromyko, the eternal minister of foreign affairs of the Soviet Union, who has held that post for 34 years, gave a speech at the UN urging conciliation between the two parties.

It is the fault of the Ayatollah Khomeyni, who since his triumph over the Shah has been nurturing the hostility of the Shiites against the Arabs, that war was declared by Iraq. The intention of the Iranian leaders to carry through their fanatic and absurd revolution, with the persecution of everything which smacks of the West, as far as Southern Asia, the northern part of Africa and the Middle East, has never been concealed. This statement is confirmed by the fact that the Arabs say openly that they are trying to overthrow Khomeyni. They want to get rid of him. They want to pay him back for all his bold ventures in the name of that religion and that hackneyed morality he preaches.

Khomeyni is also to blame for the fact that the Persian Gulf, aptly termed the "throat of the Western world" because through it passes the greater part of the oil bound for Europe, Japan and the United States, is in the threatened condition it is. For the Shah won the title of "policeman" of the gulf, and he made it valid. He was a good policeman. He had his armed troops, who served as a real fortress both on land and sea and in the air. No one dared challenge them. Now this is no longer the case, Khomeyni annihilated these armed forces. He murdered their generals, and the few who remained deserted en masse. A brave air force general, Said Mehdiyari, who was placed in command of the air force after the revolution against the Shah, was executed a little more than a month ago, the justification

being charges of conspiracy. The boastful claims of this mentally unbalanced man have totally isolated Iran. The Ayatollah alienated the United States and forced its withdrawal. He invaded the American embassy with his revolutionary student kidnappers, inflamed and impassioned by his preaching. It is now almost a year that 52 innocent officials at that facility have been hostages. He has also kept Russia excluded from any influence on the course of the Islamic revolution, such that in one way or another, he must pay for his lack of political vision. How can he fail to see today that thanks to his arbitrary handling of foreign relations, no one except for the Iranians themselves abroad feel any sympathy for this revolution?

Another circumstance placing Iran at a disadvantage with regard to Iraq is found in the fact that its military equipment was supplied by the United States and Great Britain. These supplies have now been halted and, naturally, this equipment is now becoming worn and outdated. No relations are maintained with the United States, and Britain is maintaining an attitude of cautious waiting. It is not known what the result of an Israeli offer to supply weapons to Iran might be.

As proof that the most influential Arab governments are opposed to Khomeyni there is the support which has been offered to Iraq by extremely wealthy Saudi Arabia, the Moorish chieftains in the emirates and the kings of Jordan and Morocco. Only Syria and Libya, due to natural differences among the Arabs themselves, remain uninvolved in the conflict. And also Algeria, due to pure politics, because it represents Iranian interests in Washington and thus cannot intervene in favor of Baghdad.

What can be extracted from this is the question as to who will command in the Persian Gulf. Not Iran, because it has already lost mastery of the islands which surround the gulf. Neither Khomeyni nor any successor of his has the capability to deal with the new situation. The Iranians no longer have powerful armed forces nor a social organization which would define them as a modern, well-armed state. The country is in chaos. If it is Iraq, it will be the Arab world which will command. An Arab world which is pro-Western and pro-Soviet at the same time. This alternative would be very dangerous for the West. Will the superpowers intervene? Will there be a more direct dispute over this zone? This is the unknown factor. On the other hand, a conflict will certainly have a deleterious effect on the world oil supply. Another OPEC increase. This is a natural assumption, because this war has destroyed a part of the large refineries where crude oil for the West is processed.

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CSO: 4410

UNITY CANDIDATE DISCUSSES POSSIBILITY OF VICTORY

Administrative Austerity, Honesty Urged

San Jose LA REPUBLICA in Spanish 8 Oct 80 p 12

[Interview with Rodolfo Mendez Mata, by Wilmar Murillo in the column "Political Wednesdays in the Republic"; date and place not given]

[Text] A serious, honest, responsible and integrated effort by the governmental team, capable of bringing about profound administrative reform such as to promote the economic and social development of the most neglected classes--this is the basis of the thinking of the faction represented by engineer Rodolfo Mendez Mata, according to what he himself has said.

The proposed presidential candidate said moreover, in an exclusive interview granted to LA REPUBLICA, that his government would be one of total austerity in which the various groups and sectors would be given a role.

[Question] By training, you have always been an executive, a man of action and an organizer. What led you to leave all of this and enter fully into politics?

[Answer] The world is experiencing difficult problems, which inevitably affect Costa Rica. The present picture is dark and the future still more so, and thus a broad formula of national consensus is required and there is a need to provide an alternative which will give Costa Rica courageous solutions of sacrifice and re-organization on the economic, social and political levels.

In February of 1980, the National Liberation Party chose its candidate and presented the country with a traditional solution, a prospect now known to all, embodied in Don Luis Alberto Monge, who I believe cannot be the solution for the year 1982.

I waited for many months and repeatedly rejected the pressing arguments urged upon me by leaders from the base to the national level.

I awaited the appearance of an individual who could unite the various groups making up the Unity coalition to offer a solid solution, an alternative of unity which would not only guarantee triumph in the 1982 elections but also the solutions Costa Rica needs for its next government.

I thought over my decision very carefully and came to the conclusion it was my duty to participate in political action. I have consistently proclaimed the need for all of us citizens to participate in order to make of our representative democracy a truly participational democracy, and therefore an example had to be set by precisely those who proclaimed this type of citizen's participation.

I should make it clear that I am not a traditional politician, and I have taken this step not for reasons of pride or to satisfy personal vanity, but with a clear desire to serve Costa Rica.

For many years I have held important government posts, have explained my views to the public and have derived from this service the experience and capacity to claim with honesty that I can carry out the task of serving the country as president of the republic.

[Question] If you become president of the republic, what would the three basic pillars of your administration be?

[Answer] It is difficult to limit the support or foundation structures of an administration to a given number, but I believe that the characteristics would have to be and would be serious, honest, responsible and integrated work by a government team capable of bringing about profound governmental administrative reforms such as to promote economic and social development to the benefit of the needy classes, and increasing production on the basis of recognition that Costa Rica can perfectly well be competitive on the international market if we equip ourselves with proper administrative mechanisms and continue in speedy form with measures to promote the export of farm products. It would be an austerity government in which we would seek to offer a role to the various groups and sectors such that they will be guided by the action of the government, but taking into account that we can only achieve full development with labor and the national effort which comes from collective action.

[Question] What likelihood of triumph do you see for the Unity coalition, and why?

[Answer] I feel that the possibility of triumph for the Unity coalition is very broad and clear because of the fact that the National Liberation Party is offering a weak candidate who does not have a consensus even among its supporters. On the other hand, the political parties are strengthening their own action and work, although they are in the opposition, demonstrating that they are interested in promoting national development, interested in and capable of finding or proposing solutions to the benefit of the needy classes.

The national liberation party, on the contrary, has concerned itself solely with seeking to block the work of the government, to paralyze major projects for the communities and to avoid solutions of an economic nature, and this is weakening the party.

On the other hand, Unity has the alternative of offering a capable, strong and united group, offering proposals and programs to continue those which have been accepted by the electorate and to correct the others which require correction.

We should recall that Unity represents the majority sector of the country and that if it wins the elections, as it should, with a candidate rallying and uniting all supporters, this is a guarantee of triumph.

[Question] What type of government would you have--center, moderate or leftist?

[Answer] I have made it very clear that the next government will be one structured on the basis of social Christian doctrine. I believe this would be the most apt definition.

[Question] If you win at the February convention and if you become president, would you govern with the participation of all the parties in the coalition? What role would you give them?

[Answer] Unity rallies the various coalitions and therefore it is representative of them, and a government must be representative of all. We must proceed to act in such a way that, forgetting our origins, we constitute a single group, without distinctions of any kind. I would seek to govern with the participation of all Costa Rican citizens, since it is they my government would be trying to benefit. Citizens' participation in government positions, as well as in communal, trade union or any other kind of action, is basic to the development of our country.

[Question] In your view is Unity an antiliberation stand, or is it national unity?

[Answer] Personally I do not believe in "anti" positions. I really believe that Unity offers the people of Costa Rica an alternative, an alternative which should be outlined in positions of consensus and through definite government proposals and programs. I would want then for our action to become national unity action on the basis of the concepts of work, seriousness, responsibility, action and thought which we will outline throughout the political campaign which is beginning.

[Question] If you win power, what type of opposition would you expect?

[Answer] I would hope for very critical but constructive opposition, an opposition making an effort to contribute to the building of the Costa Rica we all need. Let it make its line of thought known, but not devote its efforts to destroying what it has cost a great deal to build. We must understand that we have the responsibility of improving social, economic and political conditions for our people, to which end I will always be available for dialog. I will always be ready to listen respectfully and calmly to the positions put forth to this end by those who are our opponents. Similarly, I would hope for reciprocal respect.

[Question] Do you believe that the law on political party campaign financing should be maintained, amended or abolished?

[Answer] I have made it clear that the postponement of the political debt should be eliminated, but knowing and understanding that this system has already sunk deep roots among the Costa Rican people. Secondly, it should be limited, since it is reaching an entirely undesirable point.

[Question] Theoretically, how should the legislative assembly be organized and how should it function?

[Answer] The political parties should be most cautious and careful when it comes to selecting their deputies, such that they will be truly representative of the community to which they belong, emerging from these communities through a democratic process, and having the training and competence to carry out local and national work. Those who are elected as deputies should realize that their function serves not only the interests of the political party which elected them but that they have a priority obligation to the country and the people who elected them. They must therefore make their effect felt as servants of the communities they represent and as servants of the country and the entire population, devoting themselves absolutely and constantly with responsibility, seriousness and objectivity to the analysis of the proposals which may produce solutions of a national nature. They must also maintain critical views of the work of the executive branch, but with a clearly constructive attitude, rather than a destructive one which is often seen.

[Question] What general policy would you pursue with regard to the rest of Central America, given the conditions currently prevailing in the isthmus?

[Answer] Costa Rica must continue to work toward the strengthening of the Central American Common Market, to which end the closest relations among the countries included becomes indispensable. Central America is experiencing very difficult political and social problems which we hope can be overcome in the course of the coming years. Relationships based to this end on friendship will have to be analyzed in accordance with the circumstances with which the future provides us.

[Question] Are you optimistic about the February convention?

[Answer] Yes, I truly feel very optimistic because I have received massive support from the leadership in Costa Rica and the community in general, particularly in the past 10 days, since the official launching of my participation in the convention process. Thus I remain optimistic, due to the welcome given me by the various communities and the organization cadres which have been consolidating, which I hope will serve for a truly objective analysis of the present political situation.

Opposition, PUP Discussed

San Jose LA REPUBLICA in Spanish 15 Oct 80 p 9

[Interview with Rodolfo Mendez Mata, by Wilmer Murillo in the column "Political Wednesdays in the Republic"; date and place not given]

[Text] The Unity voters, faced with the process of choosing a presidential candidate, have before them four possibilities. And if no unforeseen event intervenes they will go to the polls on 22 February to choose one of the four candidates, in what would seem to be the most bitter electoral dispute in the anti-liberationist sector.

What may possibly happen at the polls is something which obviously no one can predict without risk of error.

One of the aspirants is engineer Rodolfo Mendez Mata, until a short time ago minister of public works and transport. He has clearly described his campaign as one in favor of a consensus formula for the resolution of the problems of the country. He claims to be a candidate who can create unity. In stating that he is the consensus candidate, he says that he has justified hopes that his message will be understood by supporters and adversaries. Mendez explained his viewpoints to the readers of LA REPUBLICA as follows.

[Question] Why do you aspire to the presidency of the republic?

[Answer] Out of a sense of responsibility. The difficult situation Costa Rica is experiencing requires the full and broad participation of all citizens to find the necessary solutions. I am not a traditional politician. Truly, for a long time I sought to refrain from direct political action, in the hope that there would within the Unity emerge an individual who could represent the various groups which make it up. But in my view this did not happen. I was subjected to pressure by the leaders at the base to adopt a position in the struggle. They believed that the work I had done in the MOPT [Ministry of Public Works and Transport] demonstrated a level of capacity, responsibility and honesty, and that they not only reflected the thought necessary for government action, but achievements as well. My relations with the various communities are a factor in Unity. I have no aspirations for personal satisfaction. I regard myself as a part of a mechanism, and I am devoted to the task of representing these groups with a view to finding consensus formulae not only within my party, but throughout the country, in order to surmount the problems we are experiencing. And I am doing this with dedication and devotion.

[Question] The weapons case is still being discussed. You were accused of providing MOPT vehicles to aid the Sandinists in the civil war in Nicaragua. Were you involved in the transfer of weapons?

[Answer] There is no doubt that there are persons who can use this type of argument for political purposes. But those who have a certain administrative or governmental maturity know that each ministry is administered within its own scope. In special situations what happens is that one must turn to other institutions to provide vehicles, or some type of resources so that the other ministry can carry out its programs. If Public Security used MOPT vehicles during the emergency in Nicaragua, this does not mean that the head of the ministry knew of the specific use being made of them.

[Question] Were you informed at all times of the aid being provided to Nicaragua?

[Answer] I was aware of the situation Nicaragua was experiencing, but I did not know any specific details about what was happening.

[Question] What was the role it fell to you to play as a government official in connection with aid to Nicaragua?

[Answer] My role in government was as minister of public works. I played no role where Nicaragua was concerned.

[Question] If you are the elected Unity candidate, would you defend the work of the government of which you were a part?

[Answer] The work of this government is plain to see. It must be assessed by Costa Ricans in terms of things which were desirable and some which were not. My task would be to encourage good proposals as a government leader, to continue the things deemed desirable, with even greater speed if possible, and to revise certain others. What concerns me is that we sometimes want to retain the feeling of seeking reasons for objection, and I believe that if we want to raise Costa Rica from the level at which we are we must find the formulae for solutions to the problems. This is the responsibility of all--those who have served in the government or outside it, in activity in our political life and outside of it.

[Question] What do you regard as your greatest achievement as minister of public works?

[Answer] The institutional transformation of the MOPT, which will produce substantial improvements in a series of projects and services being carried out and to be carried out in the future. Although I sometimes have been tempted to speak of the port work, the change in the transport apparatus, the advancement of road programs, the impetus given to primary and secondary-school projects, and finally so many things one could mention, the basic thing for me was the institutional reorganization of the MOPT.

[Question] Do you support the return of the PUP [Popular Unity Party]?

[Answer] The return of the PUP must be examined on the basis of the commitments made and the corresponding moral alternatives. I absolutely support the attitude taken by the coalition officers. Although we are not represented in that committee, we believe that the party is very well represented within it and the decision it makes must be accepted.

[Question] Do you believe that the present status of the PUP benefits certain factions?

[Answer] What I believe is that currently we have embarked on a convention process and the groups which can vie for the domination of various parties must proceed to consolidate positions. The important thing for me is Unity. If we feel that we represent a permanent, ideological and democratic party, the basic thing is to strengthen Unity as such to the maximum. To some extent I regard other secondary aspects within the Unity as less important. Therefore I am trying by my attitude to strengthen the officers' position. They are imbued with a great desire for unity among all the members of the coalition and a prompt definition of Unity as a party.

[Question] Do you represent a Democratic Renewal trend or the Calderon position?

[Answer] I represent a Unity faction.

[Question] You are frequently identified with the Calderon faction. Would you say this is an obstacle to your hopes for the nomination, in view of the fact that you are vying with Mr Calderon?

[Answer] I do not believe in obstacles or advantages deriving from one's origins. I believe that obstacles and disadvantages develop as a result of personal status, capacity and experience, method of acting, and demonstration of what has been and what can be done. There is now sufficient political maturity so that a decision can exclude mere origin.

[Question] You have launched a campaign concept to the effect that you are the candidate who can unify. Is this because you believe that both Calderon and non-Calderon supporters will support you?

[Answer] Over a period of time I have shown the membership of Unity that I maintain a position equidistant from the various groups which make it up. I was the first secretary of the committee, chosen at a difficult moment, because it was felt that I represented various groups. Later I served in command of the campaign for the same reason. And throughout my service as an official I have had excellent relations with the various groups.

[Question] It has often been commented in the country that the trips taken by a minister are not for his office but on the nature of political tours. Would you reject the argument that you sought the candidacy when you were a minister?

[Answer] No, I cannot do. I saw my work in the government precisely on open concern for the needs of the country, and not any political orientation. In fact there are people who have criticized me for remaining so long in the government, saying that it was not official to me. Thus we have here counterarguments of a political nature. My work as a minister should have demonstrated to the country responsibility, seriousness and honesty, as well as executive ability in thought and action and achievement in public service.

[Question] Unemployment stirred around considerably resistance among the voters. Do you not face the immediate criticism which might blame you even for responsibilities which were not yours?

[Answer] We are entering into a process in which every factor is a political consideration. We have recognized that currently Unity governs, and this government is a factor which plays a role in the decisions the electorate must make during the elections. I wish to attribute to the PLN (National Liberation Party) a degree of responsibility for matters not yet surmounted, and I hope that in the course of my campaign I can point out the advantages to the country of making a well-applied social democratic ideology the solution to future problems.

[Question] Why are you not seeking the alliance of the Calderon faction with the Christian Front? It would strengthen you as a possible candidate, in view of the fact that the PLN has lost the PIT assembly as well?

[Answer] It is not of great political importance, because it is not adding anything new to the alternatives which a given prospective candidate might be making for himself prior to the campaign. You will encourage the social Christian front. I am sure that other factions have the same feeling. I do not believe on the other hand that the loss of such an alliance could be threatening, if what we are talking of is the Christian party. There will be an opportunity to choose the

district and regional assemblies through the mechanisms of the electoral code, in the conviction that the maturity of our supporters will make the desire to democratize this movement prevail.

[Question] It is often said in political circles that you have the support of President Garazo. Is this true?

[Answer] This question should be asked of the president. I cannot speak for him.

[Question] But you have an opinion. Does he or does he not support you?

[Answer] I cannot tell you.

[Question] Whom do you regard as your main adversary in the factional struggle?

[Answer] The forces are polarizing definitively in two groups, one headed by Mr Calderon and one by myself. However, I in no way minimize the other possible candidates. They are fully capable persons with the faculties to pursue the high honor of representing Unity.

[Question] What makes you think you will win at the convention?

[Answer] The massive and speedy support I am receiving from the electorate. The work and the organization. I headed the action in the last campaign, and the realization that the leadership is made up in the same form and with the same characteristics as in 1978 gives me a feeling of faith and optimism in the struggle we are waging.

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COSTA RICA

NATIONAL PROGRESS CANDIDATE DISCUSSES ELECTIONS, ECONOMY

San José LA REPUBLICA in Spanish 8 Oct 80 p 9

[Interview with Miguel Barzuna, by Wilmer Morillo in the column "Political Weekdays in the Republic"; date and place not given]

[Text] There are those in political circles in the country who have been insisting that the proposed National Progress [PN] candidate, Miguel Barzuna, has embarked upon a series of cautious talks about the method of getting out of "the presidential race."

Seemingly the architects of this theory have carried objectivity too far, to the point of stating that Barzuna would refuse the nomination by his party in favor of former President Mario Echandi Jiménez.

But Barzuna categorically denies these assertions, which in his view are nothing but stratagems designed to "undercut him." And what about Echandi? "Well, we are friends, politically we think the same, and naturally I do not see why we could not work together in the future," he said, among other things, in the following interview granted to LA REPUBLICA.

[Question] Recently it has been said that you would refuse to continue as a candidate for the presidency of the republic. Is this true?

[Answer] Nothing could be more inaccurate. I have been maintaining the thesis that economic problems become social ones, and then great political problems. The first thing the country needs is to settle its economic problems. And obviously, many have been discussing this same subject but no one has explained how the problems can be resolved. I have been working with study groups on the drafting of an overall plan to correct the economic situation. But it needed the support of technology and suitable financing. I had to go to the large industrialized countries which have these things to make arrangements. And, obviously, while I was discussing my plan there, all of the traditional politicians remained here engaging in all kinds of conjectures. Our position, as the country will see, will be more stable in the future. There will be the certainty that the overall development plan we have proposed is supported by the necessary technology and financing.

[Question] Would you be prepared to enter into an alliance with former President Echandi to strengthen your party, and if so, how far would you go to achieve this goal?

[Answer] Don Mario and I have a great friendship. We were in the Unity and withdrew from it together. Politically we think alike, and naturally I see no problem in our working together again. National Progress is a party established on the national level, with a national leadership, and it has its candidate. We do not want alliances or pacts which the country does not want. And not only Don Mario but many other national politicians will swell the party in the coming months. The National Progress offensive will begin in the next few days. The final struggle for a great change will be launched.

[Question] It is frequently argued in political circles in the country that you are facing economic difficulties, and that you are thinking of "getting off this merry-go-round" as soon as a suitable withdrawal becomes possible. Would you say that this is a sensationalist claim lacking in foundation?

[Answer] I think there are mere conjectures or stratagems to undercut someone. I do not believe there is a single party without economic problems. Perhaps those of us who do not embark on a campaign to take the people's money before going to the polls have more political problems. I have already said this.

Political wealth is the same as political financing. With a political debt and without political financing there are difficulties. But if any deputy believes that we are the only party with economic difficulties, he deceives himself or lives on the moon. All the parties have, and this is logical. If the campaign were based on money, those who believed this would be dead. We have been campaigning for a year and a half. We do not owe accounts to anyone. We do not even owe rent. We have been paying our debts religiously. I foresee no economic problems. Well, different problems from those others may have, nothing more.

[Question] There appear to be a number of parties seeking to divide up the electoral pie in the presidential campaign for 1967. What slice does National Progress hope to get?

[Answer] There is a difference between our position and that of the traditional politicians. This confuses many people. There are politicians who are creating small parties to see what they can grab later. We are not in politics to see what we can negotiate, but because ideologically we must be in order to effect the reforms we believe desirable. Only those who think like us can identify with our struggles.

The problem is the following: the PLN (National Liberation Party) is exhausted and has sins which have not been expurgated. It leads many to believe that they can win and achieve something in the PLN. Apart from this there is a heavy political debt, something like 30 million colones, for the Unity alone, and many individuals think they can get a piece of this pie. There is much to be said. The picture offered by some politicians, given the circumstances in the country, is regrettable. The "pie" is the debt. And it is not only I who say so. The fact is no one can be convinced that the Unity has a chance of winning. No one believes that the country would vote for a continuation of this government. There you have those who have been ministers, former presidents of the assembly. All of them are responsible for what is happening. If Costa Ricans vote for them, it is because

they want what has been happening to continue. I do not believe this will happen. It is for this economic and political booty that the battle is being waged. A great wave of money comes and there is a struggle to see who can find a seat at the table and serve himself with the big spoon.

[Question] What is the difference between these parties and National Progress?

[Answer] We wage a battle for ideas, to maintain a democratic tradition, to improve it and to move forward with it. We want a profound change, and to show the people that they should not continue doing what they have been doing. We seek profound changes in our economic and social system and to bring about the utopia of transforming Costa Rica into the American Switzerland.

[Question] You speak harshly of the party coalitions. Do you view their existence as undesirable?

[Answer] When I was president of the coalition, I resigned because there was no way to establish a party. My struggle and my political participation are for ideology. I do not participate in coalitions which are political compromises in the struggle for power.

[Question] Aren't you think that in a country such as ours, clinging to the status quo, that the mystical tones of the National Unity and Progress perhaps place your party in a precarious situation?

[Answer] I have been saying that a solution to the problems of the country is found on the basis of more production and more exports. During my recent trip to the Far East and Europe I arranged very substantial investments which will be reflected in production and exports. From the plains, as a critic of this government and the preceding one, I have been developing national solutions. This is the only way in which the people can hope that they can carry out effective work. To believe anything else is an insult to the intelligence of the people. Many believe in voting for selfish interests and they cannot think of the best national solution. This is an insult. If it is not possible to change, if we continue along the path of hatred and personal convenience, the country will continue to sink into the abyss and we will never get out of it. We are waging a struggle which could be our last.

[Question] It is frequently said that the most probable thing is that reality lies between the extremes of complete optimism and pessimism. Let us speak of cheerful things. After your long trip through the Orient and Europe, do you have new plans?

[Answer] I believe this is the most important question in this interview. After such a tour as this, one feels that there are no optimal conditions for speedy development of the economy through foreign investments. But one also becomes convinced that because of its traditions, Costa Rica can in some way surmount this whole crisis Central America and the rest of the world are experiencing. When an opposition candidate, a critic of the government, goes to these countries and speaks in positive fashion of the potential our country offers, one gets a very

interesting, a very positive feeling. Governments come and go but the republic remains. Thus, through this thesis, I obtained support and collaboration. I was successful. I am a good negotiator and I always have been. If I was successful in negotiations in private business I do not see why I cannot achieve the same in an effort to serve the country. If no one really begins to think and believe in Costa Rica, then indeed we had better light candles.

[Question] What is the solution you see to the problem of inflation, the sizable and continuing increases in prices, government deficits and withdrawal of credit from private enterprise?

[Answer] This is a very complex thing to summarize in a few words. But in brief synthesis, I would say that the battle is waged with more production, maximal reduction of the bureaucracy, encouragement of exports and putting an end to excessive currency issues. A notable economic improvement could be achieved thereby.

[Question] It would seem that we have entered into an era of limitations, forcing a search for smoother and less costly means of achieving satisfaction. In your opinion does this mean a serious economic deterioration in the Costa Rican way of life, or that after all we will find a suitable solution?

[Answer] If I did not believe that, I would not be bringing in investments. I would sell what I have and do as others have and depart. But it is my thesis that the country can easily become the Switzerland of America by the beginning of the century, but more modern and with much higher living standards. The conditions for achieving this without any loss of liberty and democracy exist. Costa Rica enjoys exceptional conditions. When we have been on the brink of catastrophe, we have somehow avoided the fall. Some attribute this to the Holy Virgin. I believe that in addition, there are profound traditions and convictions which cannot change.

[Question] How do you view the struggle for the Unity candidacy at this point? Who do you think is most likely to win?

[Answer] Whoever wins, it is unimportant. He who wins the convention may lose the election. The battle is being waged to see who is a great loser.

[Question] Don't you think that the winner, even if he loses the election, always wins political power?

[Answer] That is what the Unification leaders thought. They think the same in Chile.

[Question] What possibilities do you see for the left wing in the coming elections?

[Answer] Insofar as the same programs are retained, they will continue to gain ground. For this reason we are building an ideological war to block extremism and to contribute to developing the country.

[Question] Speaking of your party, what structures have you been able to put in place with a view to the coming elections?

[Answer] There are 15 open clubs, committees in all the districts and regions. There are propaganda, finance, electoral, plan and program committees, etc., and so are gaining ground in the electoral realm exceeding even our own expectations.

DOMINICAN REPUBLIC

REPORTAGE ON REACTION TO VENEZUELA'S CAMPINS VISIT

PCD Scores Venezuelan Aid

Santo Domingo LISTIN DIARIO in Spanish 7 Oct 80 p 8

[Paid advertisement by the Dominican Communist Party (PCD)]

[Text] In Light of the Visit by Venezuelan President Herrera Campins and the Signing of New Agreements That Compromise the Credit and the Nonrenewable Natural Resources of the Dominican Republic:

This week's visit by Venezuelan President Herrera Campins; the announcement that agreements will be signed on that occasion whereby the Dominican Republic accepts the oil financing terms set forth in the declaration signed in San Jose, Costa Rica on 3 August 1959 by the presidents of Mexico and Venezuela; and the fact that these payment deferrals are designed to benefit private Venezuelan investors and facilitate the penetration of Venezuelan capital into major areas of the Dominican economy, oblige us to make the following remarks:

1. They are doing us no favor, nor will any benefit accrue to us, by deferring payment of part of the periodic oil price increases that the developed economies have managed to fit into their pricing and cost systems but that strike a devastating blow at dependent, backward economies. The payments deferral agreed upon by our rich brothers, Mexico and Venezuela, at their meeting in San Jose, Costa Rica are a recognition of the imminent declaration of insolvency that will soon be the only recourse of a number of countries in the area that have been decimated by debts that they cannot pay.

2. In the case of the Dominican Republic in particular, Venezuela aims to use the terms of the agreement to move in around \$150 million a year of its private capital at the current price of oil and at sales volumes similar to now. This would add a flood of Venezuelan capital, with all of its implications of dominance, to the already oppressive control of the Dominican economy by American consortiums.

3. This incoming capital, totaling more than \$750 million over the next 5 years, could come to represent a majority of the total private capital in the country and accord rights to its owners that would further erode the decision-making capacity of Dominicans regarding vital problems.

4. Part of the money that will not have to be paid in dollars to Venezuela for oil must go immediately in pesos to Petrolera Las Mercedes, which is licensed

in Venezuela but owned by Texaco of the United States, so that it can continue its oil explorations in our country under a contract that is highly favorable to it in comparison to other existing contracts and that it has methodically violated in its drilling commitments to date.

5. The possibility that the Banco del Caribe and other similar private Venezuelan entities might take over private Dominican banks and obtain shares in state banks or set up their own oil refineries, is too high a price to pay for a moratorium on paying another extremely price for an item needed to maintain normal power generating activities.

6. The prices that Venezuela has set for the scant Dominican exports of black beans are, on the average, lower than the prices on the normal market for the item.

Thus, we are witnessing mounting demands by foreign interests on the decision-making capacity of Dominicans, and this must not be endorsed in agreements that increasingly compromise subsequent chances for changing current realities.

7. For some years now, as a result of utilizing its enormous oil wealth to expand its bourgeoisie, Venezuela has exhibited the characteristics of an intermediate power with the potential to export capital and with obvious ambitions for supremacy in the Caribbean.

What is worse, Venezuela today, under the current Social Christian administration, is utilizing its power along with the United States to sustain the repressive Military Junta in El Salvador. This marks its government not only as a factor undermining the economic independence of the nations in this turbulent zone, but also as a factor encouraging the use of force to repress their yearnings for freedom and democratic gains.

Be careful, President Guzman, about what you sign with President Herrera Campins, and remember that the flood of votes that gave you the powers that you enjoy today also contained a component of fervent nationalism, of unblemished national independence, vis-a-vis any foreign power!

Narciso Isa Conde, secretary general of the Dominican Communist Party
Santo Domingo, D.N., 6 October 1980

PRSC: Aids Christian Socialists

Santo Domingo EL NACIONAL in Spanish 8 Oct 80 p 16

[Text] The Christian Social Revolutionary Party (PRSC) is confident that the visit by Venezuelan President Luis Herrera Campins to our country, which began yesterday, will result in a stronger, better organized party with good chances for victory in 1982.

This assessment was made by one of the party's leaders, Dr Jose A. Cruz Infante, who said that "one of the major concerns of Social Christian leaders on the continent is that we have real political development and real democratic institutions here."

He pointed out that for this to come about "it is indispensable for us to develop a strong, competent and organized Social Christian Party, because the political choices will become more clear-cut in this way, so that the people have an opportunity to choose their leaders more freely."

Cruz Infante was yesterday's guest on the "Entrevistas" program hosted every day at 1330 hours by newsmen Felix A. Gomez for Onda Musical.

"As Dominican Social Christians, we are overjoyed at Dr Herrera Campins's visit to the country," Cruz Infante declared.

He indicated that the "South American chief executive's visit is not ceremonial," adding that the Dominican people will reap benefits from the agreements that the two presidents will sign.

He stated that the political and ideological record of our visitor guarantees that his policy will have an application in the Dominican Republic. "The Venezuelan Government" is not trying to portray itself as a nouveau riche administration. Instead, it wants to convey the advantages of its status as the Western world's leading oil supplier to countries with developing, dependent economies (because of the high prices that they have to pay) under smooth, optimum conditions."

He stressed that the Venezuelan president has pursued this policy for the benefit of poor nations. "We know that his visit will benefit the entire Dominican people." He reiterated that "we will benefit from his visit."

Cruz Infante said that the personal relations between Social Christians here and their counterparts in Venezuela, especially Herrera Campins, "enable us to give assurances that we will have fruitful political and fraternal exchanges with him, like the ones that have always characterized our ties."

He said that the Venezuelan president is scheduled to meet with our main Social Christian leaders, who might accompany him on his visit to the south and perhaps at some of the ceremonies that he will attend in the Dominican capital. He asserted that Herrera Campins would have an opportunity for a firsthand look at the inner workings of the PRSC. In addition, he feels that the visit will help to unify Dominican Social Christians.

Separately, Cruz Infante discussed former President Joaquin Balaguer's statement to the effect that the Reformist and Dominican Revolutionary parties are the only political forces capable of maintaining democracy here.

"Bearing in mind the ceremony at which Dr Balaguer spoke (last Saturday at the Dominican Plaza Hotel), we can see what he was aiming at with his remarks. He was trying to instill drive and loyalty in the new members of his party. He was trying to create a new movement capable of keeping up Reformism's hopes of regaining power, and he recognized the Dominican Revolutionary Party just because it was in power. This is just Balaguer's political assessment."

He said that Dr Balaguer recognized that the future of the country lies with its youth and that he was therefore trying to attract it to the party. "Young people are a step forward towards modernization."

He contended that Dr Balaguer kept young people on the sidelines during the 12 years of Reformist government and that he was now trying to inject new life into the party by bringing them in. "Dominican politics would gradually decay without young people."

"We are sympathetic to the appeals by the old bosses to the country's youth," Cruz Infante stated.

Paper Hails Cooperation

Santo Domingo EL CARIBE in Spanish 10 October 1980 p 8

[Editorial: "Dominican-Venezuelan Cooperation"]

[Text] The bilateral cooperation program signed by our government and the government of the Republic of Venezuela on the occasion of President Herrera Campins's welcome visit to our country this week, unquestionably offers good prospects that could, if developed in a practical and realistic spirit, lead to benefits for both nations.

Venezuela's wideranging experience is obvious in energy and mining sectors, especially in everything having to do with the development of oil resources, and therefore we can see how valuable the technical and financial aid available to Dominicans could turn out to be. The exchange of technologies and know-how in the agricultural, livestock and other sectors could be equally useful in enhancing techniques and methods with an eye towards boosting output and productivity, which is of such concern to our countries.

Corrective measures would seem most feasible and urgent in trade, however, in light of our heavy trade deficit stemming from the continuous rise in oil prices over the last 5 years. For the moment, if we broach the issue realistically, the only export item that we could export much more of to Venezuela is sugar. As far as Venezuela's needs are concerned, it is also the only item that it will need in considerable volumes for some time. Hence, the basic conditions are there for successfully concluding the negotiations that the appropriate authorities of the two countries have been carrying on for some time in this area.

In this regard, we feel that a long-term sugar pact, like the one that has been mentioned, could turn out to be mutually beneficial as long as it provides for a suitable period and, of course, satisfactory prices. The Dominican side would have to keep very much in mind (and the Venezuelans would have to understand this) the bullish nature of the market and the reasonable prospects that this trend will continue for a more or less lengthy period, as the cycles in this industry clearly indicate. Therefore, a fixed price agreement, for example, would have to be based on the maximum average price that the Dominican sugar industry could secure during the life of the

agreement under the best possible marketing conditions. Such an approach would undoubtedly be the fairest for the contracting parties. In the judgment of a number of experts, the average could be around 30 cents a pound over the next 4 to 6 years.

A pact like the one under study would have other benefits for the two countries, of course. Venezuela would have a reasonably secure supply of a high quality product from a neighbor (which would lower freight charges) and would benefit from other factors that would facilitate its domestic refining and supply programs over the next few years. The Dominican Republic, in turn, would be able to market a considerable portion of its exportable output and to count on predetermined earnings, with all of their advantages for planning recovery work and achieving the badly needed goals of greater industrial efficiency. These factors, we should emphasize, could be of prime importance in examining the reciprocal advantages of the agreement.

We trust, then, that the good and sincere intentions that have motivated the presidents of Venezuela and the Dominican Republic in their recent efforts at cooperation will soon shift from the volatile realm of good intentions to the arena of specific, well-balanced accomplishments, which, in the final accounting, are the only ones that are of interest to their respective nations.

8/43

CSO: 3010

VENEZUELAN FINANCIAL, PETROLEUM AID SCORED

Santo Domingo LISTIN DIARIO in Spanish 18 Oct 80 p 14

[Commentary by Bernardo Vega: "Venezuela: Financing, Refineries, Exploration and Other Odds and Ends"]

[Text] Now that sufficient time has elapsed since the conclusion of the visit by the president of Venezuela, we can more objectively assess its concrete economic results.

In our view, the visit confirmed a group of Venezuelan situations and positions with which we were personally familiar, but which, unfortunately, were not believed in leading Dominican government circles, and which, as a result of deliberate "leaks" to the press, had been creating an atmosphere of very false hopes; something that was detrimental to both countries and governments because, when it was time to tell the truth, the concrete offers and real positions of Venezuela clashed openly with those false hopes. Hence, the visit destroyed a series of myths, which we shall cite below:

1. The myth of financing in the amount of \$150 million per year. Several spokesmen had raised false hopes, talking about annual financing of \$150 million, through the Costa Rican agreement. When comparing this with the text of the agreement, we saw that the amount could not exceed 30 percent of the value of Venezuelan sales, subject to the agreement; in other words, 50 percent of our consumption. The 14 million barrels that the country imports at \$32 per barrel represent about \$450 million. Half of that amount totals \$225 million, and 30 percent thereof represents about \$62 million per year as the maximum Venezuelan financing. Actually, the figure would appear to be less, because the Venezuelan Government decided to offer only 30 percent of the value of the imports of the refinery, excluding the imports of fuel oil made by CDE and the sugar mills, as well as the oil taken by Falconbridge; therefore, the base was reduced to about 10 million barrels per year, and the annual Venezuelan financing, to \$53 million, in other words, a third of the figure cited by certain Dominicans. In short, the financing offered by Venezuela, as we mentioned in a previous column, is of benefit to the country and a great step forward in regional cooperation. It is a shame that some misinformed Dominicans have created false hopes.

2. The myth of the need to nationalize the refinery. Some Dominicans may have created the rumor that the nationalization of our refinery was a prerequisite for securing Venezuelan financing. The visit served to confirm that this was not Venezuela's official position. Both presidents even paid a visit to the refinery, which

received little publicity, and there they were received by the representatives of the state and Shell, at the board of administration offices.

3. The myth of the need to create a state importing enterprise. This was another alleged Venezuelan stipulation on which certain Dominicans assumed public positions. The visit proved that the mechanisms for financing would be similar to those which existed under the Puerto Ordaz agreement of 1974 between Venezuela and Central America, wherein the financing originates rather in the central banks, and the Dominican state need not necessarily be converted into a direct importer. This position is even more logical if the basis of the calculations is only the imports of the refinery, excluding other users (CDE, the cement factories and Falconbridge).

4. The myth of the compulsory use of 50 percent Mexican oil. The visit also cleared up this point. The Dominican state, if it wishes, can continue to bring 100 percent of the crude from Venezuela; however, the Venezuelan financing will cover only 50 percent. Hence, the country would benefit from exploring to the maximum possible extent the use, through the refinery, of 50 percent oil of that origin, because the financing would be doubled to \$106 million per year. That exploration should begin with a formal request to the Mexican Government to send an official from Mexican Petroleum (PEMEX) to discuss with Dominican technicians, including those from the refinery, the purely logistical aspects, including the type of crude that Mexico could supply and in what proportions (ITHNUS Maya, etc.), and the possibility of shipping reconstituted crude, as well as matters relating to the freight charges. These logistical aspects may not be so complicated if one considers the fact that part of the Mexican oil now going to Europe is being sent first to Curacao, where it is transferred to ships of larger size. Therefore, the mixture that the Dominican market requires might well be prepared in Curacao, where Venezuelan reconstituted crude would be mixed with Mexican reconstituted crude in a proportion which, although it would not be exactly 50-50, would indeed allow for the use of the bulk of the financing by both countries. These studies should be made before a high-level Dominican mission goes to Mexico, because otherwise there would be a repetition of what happened in the case of the Venezuelan president's visit, when no concrete agreement could be signed because of the lack of previous technical studies approved by the parties involved.

5. The myth of the export refinery. Venezuelan backing for a new export refinery has also proven to be false. This type of project is of no interest to a country whose oil policy is based, correctly, on the attempt to process its oil within its own territory insofar as possible. The plan submitted to the Dominican Government has, rather, been promoted by a private American firm. We have serious doubts about the economic viability of a refinery in the Dominican Republic which would export a large portion of its production, because it would not bring profits in its international sales, and would even have difficulty finding external markets, owing to the fact that in the United States there is ample unused refining capacity, and the international prices of finished products are determined very competitively, based on the processing costs of huge and by now depreciated refineries, against which a new Dominican refinery of smaller size would have to compete. In brief, we would not accrue a relative advantage with a new medium-sized refinery, operating with imported crude. The problem of the deficits not made up for by the present refinery should be solved by its expansion but, as an essential preliminary step, the state must decide whether or not it is going to continue with Shell as a partner; because

the latter obviously will not make any new investments in the refinery, in view of the present uncertainty, including a request for information by a government minister regarding Shell's position with respect to selling its shares. Without going into great detail here, we think that the solution lies in a new agreement with Shell whereby that company's shares in the refinery would receive an annual fixed dividend not associated with the real earnings, and it would be given a contract for administration, with the state retaining the benefit of all the refinery's earnings, while the latter sought financing for expansion which, under those circumstances, might well come from the World Bank.

6. The myth of the Dominican financing of Las Mercedes. It was speculated that, with the funds from the 30 percent of the oil billing, the Dominican state would lend money to Las Mercedes Petroleum, so that the latter could continue searching for oil. A quick analysis showed that this would be politically disastrous for both governments. The Dominican Government would be subjected to heavy and deserved criticism if it lent funds from the foreign debt to an essentially foreign private firm which has a concession for exploration. The concessions are granted to foreigners so that, at their own risk and on their own account, they may use their own capital to search for oil. If they lack the capital, and have to borrow it from the state, this eliminates the only justification for the concession, because the state can purchase the technology by itself. If Venezuela lends us funds so that we may search for oil, then the state must do so at its own risk and on its own account, with Las Mercedes or another firm acting as a mere contractor, but without being a concession holder; in other words, the oil, if it should appear, would all belong to the state, which would be the only entity that would be assuming a risk.

7. The myth of the sugar purchases. A sugar sales contract for 3 years, at fixed prices, would be feasible for us at the present time only if the price is equal to or higher than the commodity exchange price. Our country can sell all its (not yet sold) sugar from the current 1980-81 sugar harvest on the commodity exchange today for about 44 centavos, and that from the 1981-82 harvest, at about 36 centavos. A Venezuelan offer for 3 years would only guarantee us prices for the last year (1982-83). In order for such an offer to be attractive, its price would have to be between 30 and 40 centavos, a figure that is apparently not acceptable to the Venezuelans, for understandable reasons.

To summarize, with the myths dispelled, we must work fast to make the maximum use of the enlightened new international position of Venezuela and Mexico, which serves as an example of international cooperation for the other OPEC countries. Once the logistical aspects have been cleared up, we must sign the San Jose agreement with both countries as soon as possible. The technical assistance generously offered by Venezuela for oil exploration should be used by the state exclusively for its own benefit, and not be shared with private concession holders, because the latter are economically absurd and a bomb from a political standpoint. In order to be able to expand the refinery, we must decide on the type of agreement, if any, that we want with Shell. Until this is determined, there will be no expansion. As a general experience, the visit also served to show that if international economic agreements are to be implemented, they require a set of preliminary studies and agreements on the technical level which, if absent, only allow the politicians to arrive at general accords that do not represent any immediate assistance to the Dominicans.

TABLE 1. CONTINUED: 1990-1991, 1992-1993, AND 1994-1995 POLITICAL FACTIES

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Keywords: child abuse; child sexual abuse; child sexual exploitation; child sexual abuse material

[Footnote 2] Should be — affiliated with any political party. That is (and will be) a difficult position. This newspaper will maintain its independent view above everything, and will support the opinion of others, as it has always done.

MAKING POLITICAL CHOICES IN THE NAME OF AFRICA, well-defined political parties, as well as the "non-cooperative" democracy.

On the other hand, the newspaper shares the criticism voiced by many Dominicans to the effect that the country's media is supporting the Dominican Revolutionary Party (PRD) by attacking and belittling the efforts of the private sector.

It is the position of the present Working Group, in the light of the above, that it is a great deal of effort,

It is believed the charges against her. It was accused of being headed by a group of the "Communist Party" (CP). In this way, an attempt was made to intimidate the people and to win the elections and assumed power.

...and the time to judge the FRC's performance in government; but there is a 98.5% (94.4% in 1992) approval. President Antonio Luizman has been a man with whom the population of course, he has maintained the public liberties and has not allowed himself to be manipulated by political groups.

It is true I think it could appear in any democratic political party. True; however, I do think we would like that the struggle being waged in PRD is having negative impact on the country's economic development, but also on the country's economic progress. And it is true that this could happen.

the country. I think expenditure was deteriorated. Funds are being diverted for an unnecessary program. Part of funds have been allocated to meet the expense of the members of the organization which are making no contribution to the solution of the many problems facing the country. And what is even worse, many major problems have been left with the government, with little or no importance has been given to them. There are no priorities. This is happening in the executive branch and the legislative branch. I think it is very serious.

Therefore, the country would be very pleased to see the relations between the public authorities become normalized, and take a direction which would benefit the entire population.

And it would be very pleased to see the intrapartisan struggle be confined to that, without upsetting the progress of activities paid for by the taxpayers, at a very high price, to be sure, and without undermining the political organization which is essential to the support of the incipient Dominican democracy.

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DOMINICAN REPUBLIC

WESSIN OUTLINES PQD PLATFORM, ASSAILS PERA GOMEZ, PRD

Santo Domingo LISTEN, DIARIO in Spanish 15 Oct 80 p 10A

[First of speech by Elias Wessin y Wessin, president of the Democratic Quisqueyan Party, in Valverde Mao; date not specified]

[Text] The president of the Democratic Quisqueyan Party (PQD) claimed in Valverde, Mao that it is not true that the only alternatives for the coming general elections are the Dominican Revolutionary Party (PRD) and the Reformist Party.

Former general Elias Wessin y Wessin stated at the same time that the PQD will win the general elections of May 1981.

Speaking before hundreds of party followers, Wessin y Wessin harshly criticized Dr. Jose Francisco Pera Gomez, secretary general of the PRD.

Here is the complete text of Wessin y Wessin's speech:

Saludos a todos

First of all, I would like to extend my warmest congratulations to the organizers of this well-attended event, which gives the lie to allegations by certain national political personalities who are anxious for everyone to believe in this long-suffering nation that the only alternatives for the upcoming general elections are the Dominican Revolutionary Party and the Reformist Party.

Our claims are subject to a special campaign that has been waged, especially through the press, for the purpose of providing--we could say for better or worse--that here there are only two parties.

Recently I saw one of the little ponds of the written press (one of those who sell out to the "agreed" order) and the audacity to call the other political parties of the nation "stand-ins," with astounding aplomb.

Let us recall that our glorious institution, with more than 200,000 leaders, duly organized throughout national territory, recognized formally by the Central Electoral Board, and with a strength proven by this very gathering, is merely a stand-in?

The time for these journalists should perhaps be over. What is inexplicable, however, is this totally political campaign which is obviously demagogic, is that the leader of the PRD is apparently involved up to his neck in it. He seems to have decided to keep people in the belief that the only choice they have is to accept that their fate is the choice of the media.

Consequently, our party's chief goal is to win the elections on each electoral board, in each section, in each municipality, in each province and in each place where there are citizens with the right to vote.

This is a commitment and responsibility for every leader of our glorious party. If we are successful, you will see our homeland helped along the road to achieving the dreams and ideals first cherished by our immortal forefathers.

Long live liberty! Long live democracy! Long live the Dominican Republic! Long live the Democratic Revolutionary Party! Thank you very much.

END

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PENA GONZALEZ NOT INVOLVED IN GUZMAN, GLENN (0079010)

Santo Domingo LISTIN BLANCO in Spanish 17 Oct 80 pp 1, 13

[Text] Yesterday, the secretary general of the Dominican Revolutionary Party (PRD), Dr. Jose Graciano Pena Gomez, said that the obdurate snipers in national politics are beginning to spread confusion in sectors of the Armed Forces, giving the impression that they are implicated in the controversy between the executive branch and the legislative branch.

He is lively. "We want everyone to know that the events which caused this controversy started when we were abroad, and when our concerns were focused on the all too real which almost cost the life of Dr. Hugo Delanté Diaz and ours."

Speaking on "Democracy Initiative" radio program, Pena Gomez stated that he could recall no one of later, his name would be involved in a controversy with the legislative branch.

He stated that it was not his place to be involved in a controversy with the legislative branch, but he was not going to be involved in a controversy with the legislative branch.

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he commented: "The publication of this letter by an undisclosed source in the National Palace was a mistake, in our opinion, because that letter should never have left the office of the Armed Forces, for the precise purpose of preventing even a remote trace of truth from being attached to the statement previously made by the president of the Chamber of Deputies concerning certain features that he reportedly attributed, incorrectly in our view, to the effort for institutionalization that President Guzman has carried out with the Armed Forces."

And he stressed: "Therefore, the Armed Forces must be kept dissociated from any conflicts, present or future, that may occur between the branches of government; because such conflicts are normal events in the democratic system, and only the absence of true democracy makes them appear to be unusual situations in our eyes."

Don Gomez revealed that Hatuey Decamps sent him a letter subjecting President Guzman to the CRD's Board of Discipline.

The CRD leader suggested: "We request Hatuey Decamps publicly to nullify this subjecting, and to confine himself to stating his complaints against the president if he is brought before the Board of Discipline."

Don Gomez said: "It is a fact that the president of the republic is a member of the CRD, although in our statutes, but owing to the dignity of his office, we cannot treat him as the member alleged by those fellow deputies."

The letter subjecting President Guzman was also signed by four other deputies.

DOMINICAN REPUBLIC

INTERIOR, POLICE SECRETARIAT REAFFIRMS POLITICAL FREEDOM

Santo Domingo LISTIN DIARIO in Spanish 17 Oct 80 pp 1, 13

[Text] Yesterday, the Secretariat of Interior and Police gave an absolute guarantee to the opposition political parties that their activities would not be interfered with by the police authorities, nor by members of the Dominican Revolutionary Party (PRD).

In statements made to this newspaper, Dr Rosa Julia de la Cruz de Ortiz said that the police had been instructed to protect the political activities of the opposition groups.

The official declared: "We respect freedom of movement and freedom of assembly."

She said that she had no knowledge of interference by police officers in a convoy from the Democratic Quisqueyan Party which toured the community of Valverde, Mao, regarding: "I have not read the press, and I have no information about that incident."

She added that PRD had requested a permit from the Secretary of Interior and Police to hold the political function last Sunday, at which the new district headquarters of the organization was opened.

The official stated: "PRD had permission, and the demonstration was held outside, because the grounds did not fit in the headquarters."

She explained that the political parties were entitled to the Secretariat of Interior and Police, and that they are going to hold mass functions, so that they may be given the necessary protection.

The official, a PPD member who later opted for the PRD, and it was claimed that several members and leaders of that organization, who were holding a political function in Mao, were arrested.

The President of PPD, Gen. Francisco Vesselin Vesselin, has complained on constant occasions that the authorities have interfered with his party's political activities.

The Secretariat Party has also made complaints that its activities are being interfered with in the interior section of the country.

Dr De la Cruz de Ortiz claimed that the present authorities respect the activities which the parties carry out within a legal framework.

She stressed the fact that the parties must notify her secretariat when they intend to hold political functions, so that the police may be instructed to offer them protection.

The official was interviewed at the headquarters of the Dominican Revolutionary Party, which she visited as a member of President Antonio Guzman's movement, to attend a press conference at which it was announced that the president of the Chamber of Deputies, Hatuey de Camps, was to be subjected to a board of discipline.

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GUATEMALA

FOREIGN MINISTER CASTILLO VALDEZ' UN SPEECH PRAISED

Guatemala City EL IMPARCIAL in Spanish 8 Oct 80 p 2

[Text] In a speech by its foreign relations minister at the United Nations (the timing of which was, moreover, excellent because the official addresses of the increasingly numerous delegations are listened to more attentively at the start of the General Assembly) Guatemala furnished information on and explained the principles of its domestic and international relations. This was an important step because many new countries are joining the organization that have been influenced by a slanderous campaign that unspeakable political interests have launched or engineered to tarnish our nation's image, even though some of the loudest-voiced nations live in glass houses and were not too sure about throwing the first stone.

Many of the recent UN members know that the five separate countries of Central America signed the Charter of San Francisco and took part in the discussions on its wording, which put the aspirations of the founding nations in the form of principles and standards. They are unaware, however, of the major role that Central America, with dogged determination, played in the creation of the Organization of American States, the predecessor and even the model for the League of Nations and, after its collapse, the United Nations, on the basis of acknowledging continental solidarity and the need for ongoing, intensive cooperation among nations.

Guatemala, bound by tradition and its large territory and population, has always faithfully kept its international commitments. It is true that, like all nations, it has suffered the hardships involved in political and socio-economic development, but the efforts of its people and the enlightenment of its leaders have succeeded in establishing and consolidating a modern, functional institutional structure marked by the ambitions, direction and guidelines of a democratic system. In addition, it can be proud of its cultural traditions and its contributions to culture.

Foreign Minister Castillo Valdez correctly pointed out that our country has advanced wealth, liberty, freedoms, justice and social progress within the democratic system by basic values for domestic life and international relations. It is precisely this political climate that has allowed underground groups to be "inspired, supported and financed from abroad," groups that have chosen the path of violence and committed terrorist acts under the pretext of defending ideologies and ambitions for power that they have been able to

channel through political parties and the other legitimate avenues that citizens have access to.

We know that this troublesome situation exists all over the world, paving the way for crime and resulting in violent attacks on the security of individuals and property. Even though the purpose is often to rescue or liberate, realities are being overlooked or distorted in such a way that they unconsciously cause suffering and impoverishment for the very people whom they are trying to help. Therefore, it is unfair and reprehensible for self-interested critics to single out our country, and it is sad that some Guatemalans have contributed to the slander. As we said, outsiders encouraging violence and violating the standards of social interplay and international relations are surreptitiously joining the chorus and even singing solos to the refrain of human rights, which could become the password for meddling and intervention.

He could not but mention the problem of Belize because Guatemala's territorial claim against Great Britain has now been brought before the United Nations and politicized, to the detriment of a legal settlement. The UN, in fact, is not even the proper forum for settling this kind of a disagreement. What is worse, the details of the problem have been twisted in favor of British neocolonialism, and offensive allegations have even been leveled at Guatemala to the effect that it harbors colonialist designs because it is defending what belongs to it or opposes the breakup of its territory, because Great Britain's shaky title deed has always been protested by our country. Furthermore, unfortunately, there has been a desire to deal with this major issue through politically influenced or pledged votes (without the indispensable prior analysis), secured through cronyism or some sort of diplomatic compensation in the form of support in the debate or vote on other issues.

Guatemala is not unaware of the interests and ambitions of the people of Belize, many of whom are Guatemalans from the Quekchi, Mopan and mestizo groups, with nearby relations. We therefore realize that this cultural and ethnic group must have its own personality acknowledged within our society, and thus perhaps it will yield some of its rights, to whatever extent is appropriate and possible. The colonialism comes from the other side, the Commonwealth.

That is why Foreign Minister Castillo Valdez emphatically reasserted that Belize is part of our national territory and that Guatemala does not accept and would not recognize unilateral independence for this territory, which would be an encroachment on ours. In this connection, bilateral negotiations are going to be resumed with the government of her majesty the queen.

HONDURAS

ECONOMY MINISTER OPPOSES LEFTIST THREAT, OTHER PROBLEMS

San Pedro Sula LA PRENSA in Spanish 11 Oct 80 p 2

[Text] "The government, private enterprise, workers and peasant farmers should join together to defend ourselves against the threats posed by leftists, who rather than wanting to see our country living in peace, would like to bring violence to it, as is happening in other Central American countries," Economy and Commerce Minister Ruben Mondragon said at last night's meeting with business leaders at the Chamber of Commerce and Industries of Cortes.

The minister met with northern businessmen to hold a frank dialog and take a look at all of the problems currently facing businessmen.

With regard to inflation, Mondragon said that the only effective way to fight it is through production, which cannot be boosted if there is no investment. To continue this chain of reasoning, investors cannot be expected to initiate projects if security and incentives do not exist. "Fortunately, that kind of calm exists in our country, and international organizations have a great deal of trust in us," the minister said.

He then mentioned that workers, peasants, students and teachers are currently posing a series of demands, which can be met only if the state takes in more money, which it can do only through taxes. Taxes are paid only by the companies and individuals who make enough money, "but in point of fact, to be fair, it is important for everyone to pay taxes."

With regard to the studies by writer and analyst Luis Pazos, Mondragon said that many of his suggestions are applicable and realistic, but not his recommendation that equal treatment should be accorded domestic and foreign businessmen and that foreign companies should be put on an equal footing with domestic ones. "This is an absurd notion that would bankrupt all of our industrialists if it were implemented in Honduras."

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CSM: MUP

HONDURAS

PAZ GARCIA SPEECH HONORS CIVIL SERVANTS

Tegucigalpa EL CRONISTA in Spanish 16 Oct 80 pp 1, 3

[Speech by President Policarpo Paz Garcia honoring ANDEPH [National Association of Civil Servants of Honduras]; date and place not given]

[Text] Esteemed Fellow Workers:

I call you fellow workers because that is what civil servants are: people who share concerns and responsibilities with those of us who perform the delicate function of running the country.

In this regard, I must express to you my deepest and most heart felt gratitude for the homage that you are kindly paying me. Your intention is without doubt to clearly reveal your gratitude for everything that the government has done for public servants economically and socially. I want to tell you, however, that the debt of gratitude is mutual. The measures that we have taken in government to give incentives to civil servants have always been based on the view that they deserve such incentives, which are often smaller than those secured by other workers in the private sector or even in a number of branches of the government.

As a public official, I always keep in mind that public service is an honorable duty, a duty that under some circumstances becomes a right when government service is viewed in a partisan political light. In this regard, we have been lucky that as military officers we have not felt the need for partisan discrimination, and therefore the measures that we have taken to benefit civil servants have never had any special political objective. I see all public servants as Hondurans who are interested in seeing their country move forward and in contributing their physical and mental energies every day so that the government's programs, goals and objectives are properly carried out.

Just as a nation's army does not consist solely of superior officers but has many ranks the most numerous of which is made up of enlisted men, we recognize that in government service responsibilities do not belong exclusively to top-level executives but rather are shared with thousands of employees performing various tasks, all of which are important no matter how humble.

I accept this homage on behalf of you, my fellow workers, and on behalf of my family, because of the lofty honor accorded it by this show of affection and sympathy, expressed collectively and by the decision of a prestigious association. I accept it with emotion, with gratitude and with affection for all of you.

I would ask you to convey my most cordial and sincere greetings to all Honduran public servants through the Honorable Board of Directors of your association.

May God give us all the necessary strength and wisdom to continue working for the good of our country, and so that the Civil Service Act, which is the basis for the stability, security and rights of state workers, continues to be enforced in strict compliance with its content and goals.

Thank you very much.

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CSO: 3010

NICARAGUA

EDUCATION MINISTRY DENIES IT FOLLOWS CUBAN MODEL

Managua EL NUEVO DIARIO in Spanish 25 Sep 80 pp 1, 9

[Text] Yesterday evening we received the following communique:

On Wednesday, 24 September 1980, LA PRENSA, with a great deal of publicity, published in four columns on page one an article entitled "Cuban Copy in an Educational Program." Its contents and structure are absolutely false, ill-intentioned and slanderous; it was designed to denigrate and discredit the prestige of our institution and therefore of the Sandinist Popular Revolution itself. For that reason, the Ministry of Education of the National Reconstruction Government finds it appropriate to turn to our heroic people, and especially to the national education community, in order to disprove the lies and distortions of which this article is full.

1. The document to which the LA PRENSA writer refers deals with reading material that was used in the development of the second workshop seminar for middle-level educators that was held in the city of Managua on 18 and 19 September of this year; it is not a plan or curriculum for children and youth of Nicaragua developed by the ministry of education.
2. LA PRENSA intentionally took only one of the documents out of the ten that were used as study materials in this workshop seminar.
3. Nine of the ten documents of the workshop seminar were developed by the staff and specialists of the ministry of education, and only the document discussed is of foreign origin.
4. The bibliography used for curriculum planning for both the primary and middle levels, for vocational training and job orientation, includes, among others, some of the following authors and materials:

A.H. Pagel and M.H. Carroll. How To Attract and Guide the Child in School. Buenos Aires, Argentina. Kapelus, 1977.

Fingermann, Gregorio. Psychotechnology and Job Orientation. Buenos Aires, Argentina. El Ateneo, 1975.

Hacth and Costar. Guidance Activities in Primary School. Mexico, Limusa, 1974.

Sandinist Power. Training New Technicians To Develop the Productive Structure. Managua, Nicaragua. 31 January 1980.

A. A. Smirnow, A. N. Leontiev, and others. Psychology. Mexico. Grijalvo Editions, 1960.

Rhodes, James A. Vocational Education and Guidance. Buenos Aires, Argentina. Paidos, 1975.

Blanc, Marcelo. Group Dynamics. San Jose, Costa Rica. EDUCA, 1976.

Villaverde, Cirigliano. Group Dynamics and Education. Buenos Aires. Humanitas Editorial, 1966.

Petrowsky, A. V. Educational Psychology and Age Groups. Havana, Cuba. People and Education Editions, 1978.

Kirsten, Rainer E., Muller Schwarz, Joach. Group Training. Bilbao, Spain. Mensajero Editions, 1976.

5. The commentator, in his eagerness to confuse our people, even though in many parts of his article he mentioned that the document was drafted at the Ministry of Education in Cuba, said: "For the Marxist-Leninist ideologues who produced the document at the Ministry of Education in Nicaragua, education is an eternal category." And in closing, he states:

"The document concludes with the Ministry of Education 4th national seminar bibliography, etc., etc." But in reality, the document concludes with the following expression: "Taken from the Ministry of Education 4th national seminar, etc., etc." The intent is clear; it is trying to misinform, by saying that the document was drafted in the Ministry of Education in Nicaragua and not in the Ministry of Education of the republic of Cuba.

6. The vocational training and job orientation programs, both on the primary and middle levels, to be used in the present school year, are at this time being studied by 480 educators of the nation who are now attending workshop seminars given in the following national institutes: Elvis Diaz and Maestro Gabriel, and at the National University.

7. The campaign being waged by LA PRENSA for some days against the new education in our country also includes a systematic opposition to the connection between study and work, even though this relationship is supported by all the international organizations that deal with education and pedagogic methods now used throughout the world.

8. Because of all these points, we repeat to the people of Nicaragua our conviction that this article is part of the ideological diversion and calumny campaign that LA PRENSA, along with the most reactionary and backward sectors of our society, is now promoting against the education and productive labor program which our institution has planned to carry out as part of its education plans for the 1980-1981 school year.

Managua, 24 September 1980, Ministry of Education, Department of Public Relations.

7679

CSO: 3010

NICARAGUA

PROPAGANDA DEPARTMENT ASKS FOR MORE ECONOMIC REPORTING

Managua EL NUEVO DIARIO in Spanish 20 Oct 80 p 9

[Text] "The mass media should be concerned today about reporting to and guiding the people in connection with the revolution's basic economic problems," said Carlos Gallo, a member of the Department of Propaganda and Political Education of the FSLN (Sandinist National Liberation Front), in exclusive statements to EL NUEVO DIARIO, just minutes after speaking on "The Role of Propaganda in the Management of the Economy" before newsmen belonging to the UPN (Union of Nicaraguan Journalists) at the Journalists Club.

Referring to the role of newsmen in economic propaganda, he said that they "must widely publicize the principles of our Sandinist economy and explain the main tasks involved in producing, distributing and using consumer goods."

Economic Awareness

"We have to develop an economic awareness among the people," he went on to say, "to create ties between them and the revolution's economic tasks. We must educate them about the economy and mobilize them to carry out our economic programs because one of the principles of our revolution is that without grass roots involvement there can be no economy of the people." He also said that state publicity workers must devote more attention to economic propaganda.

"The tasks of revolutionary journalists are to publicize the leading experiences of our economic performance, to explain exhaustively to the people the measures that the revolution is taking to benefit them and to inform them as to our economic limitations," he pointed out. He also said that a few newsmen are working to corrupt the essence of the Sandinist economy.

Appeal to Newsmen

He also appealed to the mass media to show more interest in economic problems, inasmuch as "not much effort has been made to broach the main facets of our economic problems. At times we are more concerned about publicizing a ministry than the accomplishments of the revolution," he said in reference to state publicists. He noted that we must publicize the involvement of the workers in the economy.

"Newsmen must help to spur the Sandinist economic process and underscore the moral incentives in the various enterprises owned by the people," Gallo

emphasized, "because they are a vital factor in achieving our economic goals, which are for the people's benefit." Differentiating between publicizing our economic efforts and commercial advertising, he said that the latter has different aims.

Advertising Is Something Different

He said that commercial advertising serves the interests of capitalists, who are interested only in selling their products, whereas the object of publicizing the economy is to develop a political awareness among our people regarding the problems and successes of our economy. This propaganda "must square with the truth, with the realities of our economy and with the problems of our people," Gallo said.

"The most effective economic propaganda is disseminated among the rank-and-file, at each production unit or center, and this propaganda can be developed only by mass organizations and unions. Our goal should be to develop deep-seated convictions among our people regarding our economic tasks and limitations," Carlos Gallo said in conclusion.

8743

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NICARAGUA

COUNCIL OF STATE RECOMMENDS BAN ON CDS LETTERS

Managua LA PRENSA in Spanish 16 Oct 80 pp 1, 12

[Text] The Council of State's Defense and Interior Committee, headed by Father Alvaro Arguello and Commander Hugo Torres and Jorge Rojas Mendoza of the CST [Sandinist Workers Federation], has rejected as inadmissible the bill submitted by Jaime Montealegre, the INDE's representative to the Council of State. The bill aimed at abolishing the usual practice at some state agencies of requesting CDS [Sandinist Defense Committee] and ATC [Agricultural Workers Association] letters for government formalities and at banning mandatory membership in any political, social or union organization.

Nevertheless, at the request of Council of State Chairman Commander Carlos Nunez, the council approved sending a note to the JGRN calling on it to end the abuses involved when certain government agencies and officials demand papers from mass organizations such as the CDS and ATC.

In other words, although Montealegre's bill was not passed, it was decided that the National Reconstruction Government Junta should instruct all government agencies and officials not to ask for CDS papers, which are practically recommendations or requirements for getting a driver's license or for negotiating a bank loan.

In this regard, Jaime Montealegre said that the decision by Commander Carlos Nunez, by invoking a spirit of brotherhood and national unity, represents a victory for the Nicaraguan people because it guarantees the exercise of uncurtailed democratic rights. It also means that no longer will some organizations be above others because the state has singled them out and permitted them to issue citizens letters of recommendation, such as those of the CDS and ATC.

Montealegre went on to say that this demonstrated the complete illegality of this practice. The purpose of the bill was to guarantee that the Nicaraguan people could take care of all their formalities with state agencies without having to submit vouchers from political, not state organizations.

He added that private businessmen had never been against the existence of the CDS's; rather, these committees have every right to exist, and hopefully they can perform truly social, community and humanitarian tasks in our country that will benefit our people. However, just as the CDS's have a right to exist, so does any other organization that citizens form in this country, with none being above any other.

Thus, the practice of requiring letters, which in effect placed some organizations above others, is ending. The chairman of the Council of State, Commander Carlos Nunez, acknowledged the problem that has been posed by mass organizations such as the CDS and ATC, recognizing that it was illegal for government officials to ask for these papers because this violated the Fundamental Statute and the Statute of the Rights and Guarantees of Citizens.

Commander Nunez felt that it was not necessary to issue another decree-law to end this illegal practice; instead, a communication ought to be sent to the Government Junta asking it to issue instructions to all state agencies and officials to the effect that they immediately stop requesting these letters because they are in violation of our country's laws, Jaime Montealegre concluded.

8743

CSO: 3010

NICARAGUA

FINANCE MINISTRY SETS AUSTERITY GOALS FOR 1981

Managua EL NUEVO DIARIO in Spanish 21 Oct 80 pp 1, 10

[Text] In addition to reporting that the current expenditures budget would be frozen at this year's level as a true austerity measure, Finance Minister Joaquin Cuadra Chamorro told EL NUEVO DIARIO yesterday that next year the ministry would undertake a tax collection offensive unprecedented in the country's fiscal history.

The minister pointed out that the tax revenue goal for 1981 is 6 billion cordobas, 2 billion more than this year.

He conceded, however, that this will unquestionably be quite difficult to achieve, adding that everything humanly and technically possible would be done, nevertheless, to approach it.

The minister indicated that treasury revenue would be boosted without creating new taxes or increasing existing ones, because the government realizes the problems and the high cost of living faced by our people as a result of the war of liberation and the inflationary spiral around the world that affects us as a developing nation.

He said that instead of imposing new tax burdens on citizens, the government would strive to be efficient in tax collection and to expand the tax base; in other words, everyone must pay his just share of taxes.

He added that the central government is right now taking steps to tightly control public spending, so as to avoid and combat waste and extravagance, especially those completely unnecessary luxury expenditures.

Instructions will have to be faithfully observed, in the sense that no ministry or decentralized agency should spend more money than it needs for its actual administrative expenses.

In addition, he added, there will be tight control on spending connected with the performance of government jobs, and state personnel will be assigned to posts commensurate with their abilities, which will eliminate superfluous staff.

In conclusion, Comrade Cuadra stated that another major measure that will be implemented next year is to do away with the practice of "holding get-togethers," in other words, the sessions that government workers are used to holding and that basically result in administrative work delays.

NICARAGUA

PPSC CALLS FOR UNION SOLIDARITY, MORE ECONOMIC OUTPUT

Managua EL NUEVO DIARIO in Spanish 18 Oct 80 p 2

[Text] The Christian Social People's Party (PPSC), a member of the Patriotic Front of the Revolution (FPR), considers that the message from the National Reconstruction Government Junta in which it courageously and prudently proposes a series of guidelines for basic action in our current domestic situation, is of far-reaching importance for the defense and consolidation of the Sandinist People's Revolution. The PPSC, the political organ of revolutionary Christians in Nicaragua, endorses and supports all of the ideas voiced by our junta and calls on Nicaraguans to close ranks with it and support these realistic, consistent provisions. Our call goes especially to all urban and rural workers and to all those who realize that we must develop an organized people's government.

The PPSC, like the Government Junta, is aware that the basic goal of this stage of the revolution is to quantitatively and qualitatively boost production. This is because the near- and medium-term future of the revolution hinges on a real increase in output, which must cease to be just a slogan and become the concern and concrete aim of all the country's economic sectors. In this regard, we realize that Nicaraguan companies require security, stability, work discipline and respect for lines of administrative authority, which does not, however, mean ignoring the dignity of the workers.

Moreover, however, production urgently needs the unity of the workers, the unity of their labor organizations. The working class is a single unit, and in general the workers have the same interests; thus, they must gradually develop a unified course of action. Worker and peasant farmer rank-and-files have to have increasingly coordinated and unified leadership. Differences often occur just among leaders, who then carry over such disagreements to their union rank-and-file.

The PPSC feels that we have to develop a mature and flexible attitude to promote true labor unity. If national unity has been possible among sectors that have clear class differences, how can national unity not be possible among the members of the same class? If union unity was possible in the past, contributing to the struggle against Somozism and imperialism, how can unity not be possible today, to lift up the economy, boost production and rebuild Nicaragua?

It is reasonable for each worker federation to want to grow and bring people into its fold.

But at this juncture it is not reasonable for some sectors and even some leaders to attack other workers in the same way that they attack class enemies, just because they belong to another union. It is not reasonable for a given union to grow weak and unstable just because there are two factions in it that belong to different federations and wage guerrilla war on each other. It is not reasonable for energies to be wasted on interunion disputes when there are tasks and goals of prime importance facing us. We admire and praise those mature leaders who know how to perform their tasks skillfully and flexibly aware of the delicate work that they are performing and with true fraternal affection for all of their class brothers.

The PPSC wishes to draw attention to this problem, which is also a production-related factor, and issues a fraternal appeal for union unity, a union unity around goals such as boosting output and specific tasks in keeping with the interests of the workers. We are not talking about a single federation. We are talking about union unity in connection with coordinated actions that might gradually lead us towards an organization for wideranging cooperation in the medium and long term as a result of the converging will of the workers.

We hope that all union federations can grasp the concern that we members of the PPSC have as a party affiliated with the FPR and that our message initiates a process of reflection and rapprochement among federations in particular and workers in general.

Let us boost production. Union unity also means production. Let us further union unity.

Managua, 9 October 1980

Edgard Macias, president
Guillermo Mejia Silva, vice president
Cesar Delgadillo Machado, secretary general
Francisco Jimenez, national treasurer
Ricardo Zambrana Diaz, national auditor

8743

CSO: 3010

NICARAGUA

JGRN MEMBER LISTS MEASURES TO REVIVE CATTLE-RAISING INDUSTRY

Managua LA PRENSA in Spanish 8 Oct 80 p 2

[Article by Rafael Cordova Rivas, member of the JGRN (National Reconstruction Government Junta)]

[Text] We need to revive our traditional cattle-raising industry, which has been one of the factors that has maintained the economy of this nation and the profit level of our exports, in which only a small amount of imported raw materials is invested.

No one can fail to be aware that our livestock industry is in a state of crisis because of a number of factors, and that it is urgent to recover from this crisis, for this industry is a valuable source of currency earnings.

Here I want to offer, not a magic formula, but a way to move this agroindustry forward. I do believe that with my ideas I can help to make some positive contribution.

1. Cattle rustling must be countered intensively and effectively, because this is the start of the destruction of our livestock; it is our endemic disease that causes the greatest losses.

I believe that all the authorities will have to pay attention to this when in its message the National Reconstruction Government Junta stated that it will not tolerate "the theft of cattle and any form of rustling; this will be prosecuted energetically and without any hesitation." Until this first problem is solved, nothing can be done.

2. To establish a fund coming from international sources of sufficient magnitude so that loans can be made to livestock breeders for all the investments needed of both capital and labor, and the acquisition of herds, with a 20-year term and a 4-year grace period with no interest.

3. As the Junta said in its statement, "takeovers of land, farms, or ranches, and any stoppage of production therein will not be tolerated in any way." This provision will help to encourage and inspire confidence in livestock raisers.

4. The restitution of all agricultural and livestock breeding properties belonging to persons who are not included in decree 3 and 38 now affected by decree 329.

5. Readjustment in the price of raw milk.

6. Practical and scientific training should be given to middle-level administrators and managers.

If these measures are applied, I believe that we can revive our cattle-raising industry, restore the productivity of our farms, and again become a nation that is a strong producer of meat and milk cattle, as we have traditionally been.

7679

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IMPORTANCE OF NEW SCHOOL YEAR RECOGNIZED

Tunnerman Addresses Students

Managua BARRICADA in Spanish 6 Oct 80 p 3

[Message from Education Minister Carlos Tunnermann Bernheim to Nicaraguan students; date not specified]

[Text] Today, Monday 6 October, is a very important day for education in our country, because in addition to being the start of a new school year, you, teachers and students, educators and pupils alike, will be in direct charge of this entire system as far as discipline is concerned. Education has found its own supervisors in you, who have already received the finest classes in methodology and social behavior over a 3-month period of living together with our peasant farmers in the mountains.

We have already derived many strategies and objectives from this learning experience and we must apply them right now to certain subjects. Therefore, you will delve more resolutely into certain fields of knowledge that were previously avoided or prohibited by the programmers who were afraid of liberation.

A new teaching system could come about only through the lengthy experience of all of the sectors committed to our Sandinist People's Revolution, because it was here, in this enormous rural school, that all of us, without exception, learned the finest lessons of patriotism by visiting the sanctuaries of our heroes and martyrs who fell during the struggle. We learned economics by working together with farmers; geography by fording rivers and visiting districts that do not yet appear on maps; botany by collecting specimens, and most importantly, we learned that there is no more lofty learning element than that which emanates from the people who are involved as real promoters.

I wish that I could have been with you today, shoulder to shoulder, to tell you that at every meeting, seminar and crowded rally I have received real incentives to do my everyday work better.

Nevertheless, here in Belgrade at the UNESCO General Assembly, in addition to the joy with which the delegates are hailing our Sandinist People's Revolution, I can convey to you, with the pride of a Nicaraguan, that the most valuable thing that we can offer the education ministers gathered here from all over the world is the lengthy testimony of our National Literacy Crusade, in which every word has been written not by me but by thousands upon thousands of hands that first wended the bands of ignominy and then in freedom performed this feat of the spirit that has cost us tears, sleepless nights and even a bit of generous and brotherly blood.

My wish for all of you is that Sandinist solidarity, which was put to the test yesterday, can be practiced now in the classroom among all, teachers and students, former combatants, brothers and sisters.

It is my wish that we never see the discord, ill-will or friction that Commander of the Revolution Carlos Nunez Tellez prudently warned us against at the opening of the Second National Literacy Congress.

Some must always teach others, because levels of political learning can never be identical, and we must be more consistent and generous with the hesitant so that they join in our revolution.

If we demonstrated our revolutionary convictions yesterday by enthusiastically joining the crusade, let us today reaffirm that conviction by returning to the classroom to be number one in studies, number one in discipline, number one in the fulfillment of duty.

Work-Study Program Discussed

Managua BARRICADA in Spanish 11 Oct 80 pp 1, 5

[Excerpts] All of the regulations relating to the new school year were discussed and clarified during the "Face the People" Program held last night at the Colegio Centroamerica and attended by heads of family and members of the Government Junta.

Among the most important regulations are the instructions given to school principals not to leave a single student unregistered; the price controls on books and study materials so that family budgets can afford them; and the use and sale of the single uniform for all schools.

Work-Study Program

One of the most controversial issues was the work-study program that our government is trying to implement in the national education system.

In this regard, Commander Daniel Ortega was very broadminded in his answer, noting that we must not judge heads of family too harshly for their opinions, twisted though they may be, concerning work-study. It stands to reason that parents, used to living in a repressive climate, are frightened by the risks that young boys ran before the victory just because they were youths. Nevertheless, we must convince them of the benefits that their children will gain from the self-confidence that they will acquire through schooling in an atmosphere of work and study.

We must also bear in mind that reactionaries are taking advantage of the religious sentiments of our people by claiming that the revolution is trying to prevent children from spending Christmas with their parents, which is completely untrue, because work programs will not be pursued during the Christmas season.

In this regard, Commander Ortega drew a comparison between LA PRENSA and NOVEDADES in terms of the unhealthy anticommunism that it engages in in its editorials.

The minister of education, Comrade Carlos Tunnerman, pointed out that all countries are developing work-study programs, because the latest teaching methods have found that work has heretofore undiscovered educational benefits. UNESCO has worked out an entire research program on the positive effects of work-study and is providing loans to governments that implement such experiments, upon their request.

Parents Association

During the program the Parents Association showed itself to be a grass roots organization that is totally recognized by the vanguard and the Government Junta. Thus, it will be represented on the National Educational Advisory Council.

The vanguard thus recognizes the right of parents to make decisions regarding the education of their children.

Religious Education

Parents also brought up the issue of religious education at public schools. The response was clear: if Catholic education were provided, then a Protestant or Moravian parent would also be entitled to demand that his children also be educated in the basic elements of his religion. However, if parents find a religion teacher, of any faith, and are willing to pay him out of their own pocket, the government would have nothing against it if classes in religion, any religion, were given outside of class hours.

Present at this meeting were Commander Daniel Ortega Saavedra; Comrades Sergio Ramirez and Moises Hassan, members of the Government Junta; and the minister and deputy minister of education, Comrades Carlos Tunnerman and Francisco Guzman.

8743

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NICARAGUA

JGRN'S POLICY TOWARD MINORITIES, BLUEFIELDS CASE EXPLAINED

Managua BARRICADA in Spanish 20 Oct 80 p 3

[Editorial: "Diversity Within National Unity, A Legitimate Aspiration"]

[Text] We would like to talk about a letter that appeared in the NUEVO DIARIO on 15 October. It was entitled "Brothers on the Coast Ask for Understanding" and signed by several comrades from the Department of Zelaya. Our comrades ask not to be accused of racism, explaining that Somozism used those arguments to keep our Atlantic and Pacific coasts divided.

We think that the appeal by our brothers in Zelaya is completely just and ought to be taken into account by all. We also feel, however, that it is incomplete and that it projects a false image of the National Reconstruction Government's stand on ethnic minorities, those in Zelaya in particular.

The FSLN [Sandinist National Liberation Front] understands the full dimension of the tragedy of Miskitos, Sumos, Ramas and Criollos. The backwardness, ignorance and poverty that they share with the rest of our nation was compounded by the fact that American and Somozist domination aimed at crushing their cultural identity and historic values to facilitate their exploitation in mining, fishing and lumbering enclaves. Many years ago the FSLN stated in its platform that integrating the Atlantic coast must be one of priorities of the victorious revolution. We have now realized that such integration will be the result not only of developing better channels of communication; rather and above all, it must be a social and cultural process based, on the one hand, on respect for the traditions and characteristics of the various ethnic groups and, on the other, on the conviction that only a revolutionary government that bears in mind the legitimate aspirations of all Nicaraguans can guarantee diversity within national unity.

We can understand why the ethnic minorities' historic conditions of oppression and disenfranchisement give rise to naive desires for independence among them. The range of freedoms that the revolutionary government has guaranteed has enabled some of these desires to express themselves organizationally, and some have even gone so far as to undertake efforts in this direction in Central American countries.

It stands to reason that the many ethnic groups on Nicaragua's Atlantic coast are not in a position to determine what the most appropriate paths are, given

the complex circumstances in which we live, to emerge from the unjust situation in which they have remained for centuries. Likewise, the Nicaraguan masses are not in a position to determine the best economic policies for the country at present. In both instances our leaders bear an enormous responsibility and they are the ones who have to guide the activities and courses of conduct of the rank-and-file.

The Bluefields movement was objectively counterrevolutionary, because it subverted the revolutionary order, physically attacked comrades, assaulted state-run enterprises and threatened to storm the Sandinist Police barracks. This does not mean that all of the people involved in the movement were counter-revolutionaries or that there were not some reasons for what went on. Thus, almost all of the people arrested have been released (only 13 are still in jail), and a member of our National Directorate went to speak directly with our brothers in Bluefields to gain in-depth knowledge of the problems there.

We are convinced that only dialog and the understanding of all parties will enable us to gradually eliminate the causes of this movement. If the government had to resort to force, it was because others had already employed violence to breach the revolutionary order and endanger the lives of many. Furthermore, we cannot forget that in connection with this entire problem there have been elements that have consciously manipulated the naive sentiments of the people to monopolize the counterrevolution for their own benefit. Hernan Savery, a university graduate and ringleader of the disturbances in Bluefields, openly and publicly declared his separatist intentions, in addition to revealing his contacts with former Gen Bernardino Larios, who was heading up a counter-revolutionary group. It was not we Sandinists who invented these charges; the ringleaders themselves admitted their true designs.

The National Reconstruction Government has taken extraordinarily important steps to incorporate ethnic minorities into our nation. Independent organizations of minorities have been given complete freedom; they are represented on the Council of State by a delegate from Misurasata; a literacy campaign in native languages has been pushed; their rights of ownership of the communal lands that they have historically occupied have been acknowledged, and loans and technical assistance have been granted to those remote regions on an unprecedented scale.

Much has been done in such a short time, but there is even more yet to be done. The minority leaders who are revolutionaries can contribute enormously to hastening the process of integration and understanding, of national unity amid cultural and ethnic diversity. The just aspirations of ethnic minorities can be resolved only under a revolutionary regime. The leaders who are proposing false separatist solutions to them are leading them along a mistaken path of greater suffering. These leaders, who are seeking notoriety and fame rather than the welfare of their people, must be rejected.

NICARAGUA

ECONOMIC, HEALTH, EDUCATIONAL PROJECTS IN BLUEFIELDS NOTED

Municipal Junta Describes Progress

Managua BARRICADA in Spanish 21 Oct 80 p 7

[Text] Bluefields--One year into its administration, the Bluefields Municipal Junta has been tackling a most difficult task: bringing progress to a region that has been out of touch with the rest of the country for decades.

When the members of the junta took over, they found a staff of 29 office and blue-collar workers earning a monthly salary of 19,134 cordobas under the budget. At present, there are 132 workers earning 175,098 cordobas a month under the budget, and thus more comrades have been brought into productive activities. The Ivan Dixon People's Cultural Center has been allotted 5,070 cordobas as well; 123 new jobs have been created, and 155,964 cordobas that the Somozists used to make off with is now received by the people in the form of new jobs.

Public Sanitation the Main Problem

One of the main problems inherited from the previous city government is public sanitation, an area in which a considerable amount of money has been spent, especially in maintaining the road leading to the refuse dump, on the refuse dump itself and on maintaining the unit providing the service.

For the time being, refuse is tossed onto the road leading to the pool, some 50 meters from the shore. This is not a proper site, but no other location was possible.

This problem has not been resolved totally because not all citizens have been cooperating, though some are. The previous administration had placed the dump near the outlying houses in the San Mateo district, thus demonstrating how little the health of the people there mattered to it.

Much To Do but a Beginning Has Been Made

The work to be done in this city is enormous, but it is gradually getting done. As far as construction is concerned, municipal funds have been used to place 56,000 paving stones over 2,830 square meters, including the road to the airport and the downtown streets.

The El Velero restaurant has also been overhauled. The initial idea was to set up a people's mess hall, but since there was an opportunity to purchase all of the restaurant equipment and the appropriate installations at a quite good price, this was taken advantage of with an outlay of 90,000 cordobas, and 15,000 more cordobas were invested in working capital. To date, net sales total 602,622.70, and total expenditures 581,896.63, including a 41,514 cordoba amortization on investment. Accounts receivable total 8,976, and accounts payable 78,143.04, including the pending amortization on the initial investment.

The first Divino Pastor College was rebuilt to preserve the infrastructure of three dormitories, one of three floors and two of two floors.

Investments in this project totaled 178,534.34 cordobas, which will hopefully be reimbursed through the Nicaraguan Tourism Institute, which offered to take complete responsibility for the building and turn it into a hotel that all Nicaraguans can make use of.

In light of the importance of city forestation and beautification, a tree nursery was built with more than 8,000 plants, including lumber, ornamental and fruit trees. The junta decided to sell the saplings to the public to finance the project, but due to the population's economic status, the desired success was not achieved. Nevertheless, the trees have been used in parks, along avenues and streets and in other public places.

Health Care Sector

At the request of the regional health care director for southern Zelaya, Comrade Marta Medina, a budget of 19,272 cordobas was approved for this important sector, which requires a large medical staff. The money has been used to repair two wells, to plaster a 14-foot deep water tank and to overhaul the piping system at San Pablo Hospital, with an eye towards improving the supply services there.

Coordination With Sandinist Defense Committees Leads to Community Improvements

Efforts have also been coordinated with the members of the neighborhood Sandinist Defense Committees (CDS), and a number of problems have been taken care of, especially in the construction of sidewalks.

San Mateo is one of the districts that has done the most to bring progress to its community. Some 200 meters of sidewalk and 2 bridges have been built here, thus resolving the problem of access to this area, which was hardest in winter.

Some 60 meters of sidewalk and a bridge were built in the Canal district, thus resolving part of the access problem; the junta contributed 55 bags of cement.

Two other districts that have been taken care of are Old Bank, where a sidewalk was built, for which the junta contributed 60 bags of cement, and the Fatima district, where the CDS's built 70 meters of sidewalk, with the junta providing 55 bags of cement. In addition, they did considerable repair work on the streets in the neighborhood with their own funds.

Other Responsibilities Assumed by the Junta

One of the major responsibilities that the junta took on was administering 95 houses that were confiscated from Somozists. They have brought in 125,798 cordobas in rent, and 112,313.73 has been invested to repair 37 of them and to buy 5 septic tanks. The accounts receivable portfolio totals 194,090 cordobas.

It contributed 210,084.43 to the National Literacy Campaign, including aid to the Education Ministry, to feed and mobilize the internationalist comrades who also taught our peasant farmers how to read and write.

Small Food Industry Revamping Program

The small industry revamping program deserves a special section, because its aim is to promote small businessmen, who used to be pitilessly exploited by money-lenders.

The program is being promoted by INPRHU, the Ministry of Industry and Commerce and the BND. It began last November with initial capital of 250 cordobas. By 31 August of this year, 304,400 cordobas had been loaned out to 77 families for the following purposes: 70,500 to 15 persons for diners [comiderias]; 34,000 to 6 persons for a butcher shop; 73,900 to 28 persons for fried foods stands; 35,000 to 9 persons for ovens; 31,000 to 5 persons for a refreshment stand. Loan repayments so far total 127,217.29, and 46,837.59 cordobas are overdue.

The project encountered some difficulties at first, as shortages of flour, hogs, oil, etc greatly affected the people participating in the program, but it has again become effective over the last 3 months, approaching a normal situation in economic terms.

The administrative delegates of the organizations financing the project noted during their visit that the program is doing fine in comparison to other departments in the country since it has made it quite easy to acquire additional capital, and as trends indicate over the last few days, the small industry market will be needing further investment.

Projects for 1981

The municipal market is scheduled for construction next year, and a budget of 1.2 million cordobas has already been approved for this purpose. The Nicaraguan Institute of the Atlantic Coast is also providing financing to build a children's park in Bluff Port. Municipal funds will continue to be earmarked for street paving, for the new refuse dump and Reyes Park and quite probably for a new public meat market.

Incoming Aid

Comrade William Ramirez, guerrilla commander and minister of development for the Atlantic Coast, donated on behalf of the Nicaraguan Confederation of Religious Orders the sum of 121,450 cordobas for the construction of three production cooperatives: cabinet-making, sewing and masonry.

The sewing cooperative was named Neysi Rios in honor of the combatant who met her death in June 1979. Thirty-five new work posts were opened in this cooperative, which operates under the Social Welfare Ministry.

Some 41,000 cordobas were earmarked for the cabinet-making project, which bears the name of Camilo Ortega, a Sandinist combatant and the apostle of unity, and 12 new jobs were created. It is under the control of the directors of the SCAAS.

With regard to the masonry project, there were a great many problems acquiring the built-in production equipment, and thus an agreement was reached with the SCAAS comrades to begin making paving stones. Twelve comrades currently work there, and 40,950 cordobas were earmarked for this program.

The information in this report is from the report by the Bluefields Municipal Junta, which completed its first year on 27 August. It is made up of Ruben Lopez (coordinator), Loyd Rorbes, Vicks Miller, Martha Medina and Francisco Lopez.

Cuban Teachers Return

Managua BARRICADA in Spanish 15 Oct 80 p 5

[Text] Bluefields--At about 1100 hours on Saturday, comrades from Kukra Hill, carrying welcoming placards and accompanied by representatives of various local mass organizations, showed up at the dock to offer a warm welcome to returning Cuban teachers.

The Cuban teachers arrived from Bluefields after a 2-month vacation outside Nicaragua. They returned with the same enthusiasm with which they left, with the same spirit of internationalist solidarity that goes beyond the borders of their country, to back the Sandinist cause in the field of education.

On arriving, the teachers showed their enthusiasm for the welcome extended them and reaffirmed their unswerving duty to teach the ignorant. They also introduced three new comrades who will be teaching in previously uncovered areas.

Speeches were made by a man from the town, the representative of the Sandinist National Liberation Front and representatives of mass organizations. Revolutionary rallying cries and testimonial songs were then heard as the group marched toward the center of town, where the Cubans were given housing.

A party was organized that night with music and dancing, turning into a very lively get-together marked by discretion and friendship.

Each teacher was scheduled to move on to his battlefield on Sunday the 12th. The individuals happiest over the return of the teachers are unquestionably the heads of family, whose children have an opportunity for schooling for the first time.

They came from every community to Kukra Hill to gather up their instructors, who together with our peasant farmers marched into the countryside to fulfill their wonderful commitment, marked by an unshakable solidarity with our people, who suffer from a serious shortage of teachers.

These teachers opened the doors of the schools in this community without asking for any privileges, with a willingness to live in the same conditions as our peasant farmer brothers.

Sugar Cane Harvest Started

Managua BARRICADA in Spanish 21 Oct 80 p 14

[Text] The sugar cane harvest at the Camilo Ortega Sugar Plantation in Kukra Hill began quite successfully yesterday, Monday, as a total of 550 tons of cane were cut, which will yield 850 to 900 quintals of sugar.

The pressing of the cane was begun today, Tuesday, and the first sugar packaging will begin the day after tomorrow. The Camilo Ortega plantation will produce 120,000 quintals of sugar for consumption on the Atlantic coast; last year's output was 72,930 quintals.

The total acreage is 1,504 manzanas [1 manzana=about 1 1/4 acres], and the expected average yield is 47.8 tons per manzana. Initial AGROINRA [Agro-industries of the Agrarian Reform] estimates are that an average of 350 tons of cane will be pressed a day, eventually reaching a total of 71,910 tons over the 205 days that the harvest will last, that is, until 15 May.

In addition to sugar, an output of 401,977 gallons of molasses is expected, with a yield of 66.92 quintals per manzana.

At present, 450 farm workers are cutting cane in the fields, and 132 are at the plant. The workers are housed at two rural settlements in El Cacao and El Salto, in six-person dwellings with baths and toilets that meet sanitation standards.

Two doctors doing social service care for the health of the workers, who in emergencies are taken to Bluefields Hospital or to Managua.

Wages are in keeping with the regulations issued by the Labor Ministry for these cases, and a Regional Supply Center (CAR) has been opened to bolster the workers' wages.

8743

CSO: 3010

MISURASATA REPRESENTATIVE DISCUSSES SITUATION ON ATLANTIC COAST

Managua EL NUEVO DIARIO in Spanish 19 Oct 80 pp 1, 5, 7

[Interview with Stedman Fagoth, representative of Misurasata to the State Council; date and place not given]

[Text] In an interview granted to EL NUEVO DIARIO, Stedman Fagoth, Misurasata's representative to the State Council, specified the reason for the complete identification of these Indian communities with the policy of the revolution, based on historical factors, and stressed the proletarian and peasant nature of the members of Misurasata.

He mentioned the importance of this identification on behalf of the consolidation of the process.

He also discussed the recent Bluefields problem, noting that this section of the Atlantic Coast feels no animosity toward the FSLN [Sandinist National Liberation Front], but that certain government officials have not acted properly. Finally, he criticized the fact that the matter was not handled correctly at the outset. He admitted that there were demands made in Bluefields, and said that what is needed is to bring about a clarification through fraternal dialog.

Better still, here are the questions and answers.

[Question] How would you describe the Misurasata organization under the current circumstances?

[Answer] Under the current circumstances, the Misurasata organization is the revolutionary unity of the Miskito, Sumo and Rama Indian peoples. It is aimed at backing and consolidating the conquests made by the popular movement as a whole.

[Question] In which part of the Atlantic Coast does it have its sphere of influence?

[Answer] We would say that it is on the Atlantic Coast as a whole, except for the Bluefields region, because that is inhabited mainly by people of European origin.

[Question] In which section of the Atlantic Coast does Misurasata have its greatest strength?

[Answer] I would say that it was in North Zelaya, which is circumscribed by the geographical boundaries of the triangle, one of whose sides is the Coco River, in the direction of the Pacific, at Santa Isabel, as far as Laguna de Perlas, and toward the Honduran border, at Sandy Bay. Misurasata has its sphere of influence in that triangle; there are about 190 communities, which comprise its bases of support.

[Question] What is the significance of the Miskito, Sumo and Rama Indian peoples to the revolution?

[Answer] From our individual point of view, the existence of the Indian people is of essential significance to the future of the revolution. The Indian people are on the Atlantic Coast of Nicaragua which, with half of the border with Honduras, comprises the most uncultivated and mountainous region. It is where the Miskito people live, and it also extends toward the Caribbean.

From the geopolitical standpoint, the importance of Misurasata is very great, for the defense and consolidation of the process.

[Question] What does the Sandinist revolution mean to the Indian people?

[Answer] If one gives a slight glance at the devastated plains and the devastated savannahs of the Atlantic Coast, he will realize that the foreign companies destroyed the forests, causing soil erosion, and left only poverty. They felled the woods, plundered the ocean with fishing, exterminated the turtle and, in the mines, have now left 60 percent of our miners ill with silicosis and tuberculosis. To be more clear, for example, the Sumo people were exterminated by the mines in Siuna, Bonanza and Rosita, and were reduced to 12,000. The Miskito people were saved, because they lived on the banks of the Coco River. That legacy of exploitation describes the meaning of the Sandinist revolution to the Miskito, Sumo and Rama peoples; in other words, it is within the context of the Sandinist revolution that the semiproletarian Indian majorities can achieve their true cultural, racial and political identity.

[Question] What does the Misurasata organization expect from the Sandinist National Liberation Front insofar as the unity of the popular movement is concerned?

[Answer] We said previously that the Indian peoples occupied half the territory of Nicaragua, with approximately 300,000 persons, of whom 50,000 were over 14 years of age. In other words, the Indian peoples are an integral part of the popular movement, and Misurasata expected from the Sandinist Front a profound, unified position, with a consistent classist plan that will allow for a powerful organization of the popular movement to resist the onslaughts of the Central American counterrevolution, which is trying to surround and annihilate the nascent revolution that is the hope of the oppressed.

[Question] What classist features does the Indian movement have?

[Answer] From a classist standpoint, the Indian movement is a proletarian and semi-proletarian movement: proletarian, because the development of the agricultural-fishing-mining companies allowed for the development of the most powerful enclaves of the national proletariat. For example, in the accursed Cerro Dorado, Bonanza and Siuna mines there are approximately 1,700 pit miners; in the sea, there are about 4,000 divers; and in the lumber cutting there are some 800 woodsmen associated with

the capitalist economy. In other words, there is a sizable group of mining-forestry-seagoing proletariat, but that is combined with 200 communities holding communal land, which is not private land, but that of the Indian communities which are semi-proletarian in nature. That is to say, they have communal ownership of the land; they provide their own food, with their rice, bean, yucca and cohune palm crops; and they sell part of those products to the market. Thus, from the classist standpoint, the Indian movement has no structural differences from the popular movement; because there is no bourgeoisie on the Atlantic Coast.

[Question] How is this feature supplemented by the Sandinist plan?

[Answer] The Sandinist plan has been established as a people's democracy of workers and peasants. Misurasata obviously subscribes to the Sandinist plan of the worker-peasant people's democracy, because its population consists of workers and peasants.

[Question] Insofar as we know, there has been friction between Misurasata and the Sandinist National Liberation Front. What is its source?

[Answer] It is difficult to describe the various sources of friction, but as a first approach, we would say that there has been lack of understanding about the essential features of the classist movement in Puerto Cabezas and in other sections on the Atlantic, and there has also been disregard for state employees whom we do not consider representatives of the Sandinist movement, but rather people employed there who have committed serious arbitrary acts of a political and administrative nature, who have annoyed the populace and who produced a spiral of nonconformity and resentment that has created friction which does not lead anywhere. They have been threatening to damage the deepseated unity which the popular movement should have.

[Question] How does Misurasata think that this friction among brothers can be cured?

[Answer] Basically, we think that, since Misurasata is an integral part of the fundamental mainstays of the popular movement on the Atlantic Coast, the friction inside the popular movement must necessarily be cured in an atmosphere of strict brotherhood and fraternity. In other words, we consider it necessary to reestablish, from the standpoint of the interests of the proletariat, the peasantry and the semi-proletariat, a program of joint activities between Misurasata and the Sandinist Front, which will make it possible to intensify the unity that will afford a strong defense against the ambushes of the counterrevolution. Obviously, the population on the Atlantic Coast of Nicaragua has special ideological features which must be taken into account in this unifying process that will have to take place. In other words, we expect the greatest understanding in the unifying tasks shared by the Sandinist Front and Misurasata.

[Question] What is your opinion of the incidents in Bluefields?

[Answer] We think that they were not handled properly, that they were not handled in the best way, and degenerated into a spiral of violence wherein, obviously, the only thing losing is the popular movement as a whole, because an unsuitable intervention such as occurred in Bluefields on the part of the government threatens to create severe friction within the popular movement. We expect greater understanding

on the part of the Sandinist national leadership, so that it will know how to decide which the essential problems are.

[Question] How should this affair with the Bluefields population have been handled?

[Answer] We think that the only possible way is to recognize that there have been certain demands in Bluefields, and to sit down at a negotiating table and find out how important those claims are to the people of Bluefields, and then resolve them in an atmosphere of brotherhood.

[Question] What is the economic situation on the Atlantic Coast, and what are the prospects for the next 4 months?

[Answer] The economic situation on the Atlantic Coast is of the following dimensions: The majority of the population lives on its crops of rice, beans and yucca, and on hunting for certain animals and fishing, for food. In the first harvest, a harvest which proved to be very good, the prices were very low, so the communities had to sell that harvest in order to buy the essentials: matches, salt, kerosene and a few clothes. And the communities were left without supplies or money, and thought that they would recover in the last harvest. However, with storms, and with water escaping from the riverbed of the Principolka and the Coco, which destroyed the crops on the Coco River, in the regions of Bonanza, Musawuas, Espanolina, and Fruta de Pan, and the regions of Kligna, Lapan, Layasita and Kasata, near Puerto Cabezas, we were put in a truly alarming situation. The communities will have dreadful difficulties which can only be resolved with the unity of the people around Misurasata and the Sandinist National Liberation Front.

2909

CSO: 3010

NICARAGUA

PLANNING MINISTRY DIRECTOR DISCUSSES EL SALVADOR, ECONOMIC GAINS

Hernani (Guipuzcoa, Spain) EGIN in Spanish 10 Oct 80 p 14

[Text] Bilbao (EGIN)--"When a government can give people weapons, when it can distribute large numbers of rifles during the daytime for target practice and then collect them at night, and when the people do not use the weapons against the government, it shows that there is more democracy and grassroots support for that government than just giving someone a piece of paper to put in a ballot box." This was the reply given by the director general of the Nicaraguan Planning Ministry, Javier Corostiaga, at a press conference yesterday in Bilbao, to the criticism of the Nicaraguan Government's decision to postpone elections until 1985.

The Sandinist People's Militias, which link the army with the people, represent one of the peculiar features of the Nicaraguan Revolution, which is about to complete its 15th month since the triumphant mass uprising and the flight of Somoza. The army consists of some 10,000 persons. "The idea is for it to be kept small, streamlined and technical, as well as inexpensive, because otherwise the economy would not be able to maintain it," Javier Corostiaga explained.

Nevertheless, the army is inadequate for the needs of a country "that is in the middle of a regional war throughout Central America. In order to stave off heavy military outlays and because our defenses are organized in the form of these people's militias, we have begun a major campaign among the masses, with military training ranging from ministries to factories and fields. There might be more than 100,000 persons in the Sandinist People's Militias at present," Corostiaga said.

"The feeling among the people," Javier Corostiaga added, "regarding these charges of totalitarianism is that we have just staged elections where we voted with 50,000 fatalities and 100,000 wounded individuals. This is obviously not a formal election, it is another kind, which meant much suffering, and the people are saying that we should at least have 5 years with this government that we voted for with our lives."

Tragic Situation in Central America

Javier Corostiaga, who was visiting Bilbao for family-related reasons, stressed the importance to Nicaragua of the tragic situation in Central America. More than 9,000 people have been killed in El Salvador so far this year, mostly by the Armed Forces and the police, in complicity with the Christian Democrats.

"The repression in that country is unbelievable. We could spend hours talking about the crimes against teachers, peasant farmers...and I am frightened, not by the poor and scant information that gets to Europe, but by the decision not to report on one of the most important developments in the world today."

In spite of the fierce repression, the Government of El Salvador and imperialism are not succeeding in halting the resistance movement, and the grassroots organizations, following the Sandinist example and surmounting ideological differences, have joined together in a single front. "We feel that this situation can't last longer than a year, by which time the forces of the people will have taken power."

As far as the attitude that the United States, which currently supports the junta, might take in the conflict, the Sandinists fear above all that if Reagan wins the election, there could be an invasion of El Salvador, and in the event that American military forces invaded its territory, there could be a Vietnamization throughout Central America. "It is tremendously surprising to us that some European countries are completely unaware of these developments," Javier said.

For the moment, the FSLN [Sandinist National Liberation Front] has pursued non-intervention in El Salvador and, according to Javier Gorostiaga, has been forced to prevent volunteers from going there because that would be a justification for the United States to intervene. "The forces of the people can resolve the problem themselves, but if the United States intervenes, the front declares that Nicaragua cannot remain passive."

"A few months ago," he added, "it was thought that the invasion could come from Guatemala, but today Guatemala would have a hard time invading El Salvador because it is faced with an internal conflict as serious as the one there. The forces of the people have also united there and are even in control of entire areas of the country. The repression is also extremely harsh, as more than 20,000 people have been killed, according to Amnesty International."

National Reconstruction

With regard to the policy of national reconstruction, Javier Gorostiaga analyzed the disastrous Somozaist heritage with 40 percent of the production system in ruins. "We have a nationalized financial system, but we have only \$3.5 million in reserves. Our groundwork for rebuilding the economy was a country with \$1.6 billion in foreign indebtedness, in short, a ruined, debt-ridden country without financing, and a victorious people with great expectations that was not at the standard of living that even Somoza gave them. This was the initial tragedy of the revolution."

The country decided to negotiate its foreign debts with banks, governments and international organizations because a moratorium would have entailed a boycott against Nicaraguan exports. "We are going to pay them off as we generate economic capacity and we are having success. Another important decision was to rule out further debts and rebuild the production system with our own resources.

international aid through the solidarity campaign brought in some \$100 million last year, a few small sum. Despite this, the bottom line on the first year of the revolution has been very positive. We expect that economic growth in terms of the gross domestic product will be around 16 percent by year end, and we are convinced that in 1981 we will surpass the 1977 level, which was the highest in Nicaragua's economic history."

"Nicaragua's consolidation is based on restructuring its economy and on fundamental changes in income distribution. This year, for example, there has been an appreciable rise in the living standard of peasant farmers, the most oppressed segment of society under Somoza. All banking, foreign trade and Somoza-owned assets have been nationalized, which means that publicly owned assets account for 40 percent of the GDP. Some 80 percent of agriculture is in private hands, and 75 percent of industry, but half of this private sector is small- and medium-size capital. "In Nicaragua today we are dealing realistically and flexibly with the economic issue, and this approach to rebuilding the country requires private enterprise and a bolstered mixed economy."

Push by Grassroots Organizations

The opposition policy of the main bourgeois party, the Nicaraguan Democratic Movement, is offset by the people's massive support for the government's measures (a government in which the Sandinist Front is in the majority) and, in addition, by the great push being given by the grassroots organizations, which play an active role in the country's political and economic life.

All political parties participate on the Council of State (the ones that defend the revolution have set up a patriotic front), representing grassroots organizations to guarantee that the interests of working class strata will be defended. Thus, the Sandinist Workers Federation, the Agricultural Workers Association, the Luisa Amanda Espinosa Women's Association, the neighborhood Sandinist Defense Committees and the 19 July Sandinist Youth are involved in political tasks.

8741

CSO: 3010

BRIEFS

'BARRICADA' IN FRENCH--The friends of the Sandinist Revolution abroad have been working for a long time to uphold solidarity with our people and to combat the campaign of slander being spread by the multinationals and by imperialism. A concrete reflection of both of these tasks is the work done by the Nicaraguan Solidarity Committees in France which have published a summary of BARRICADA in French. The publication was distributed at the recent festival sponsored by L'HUMANITE and was warmly received by the fraternal European people. For those of us at BARRICADA who are creating a vanguard journalism for the Nicaraguan people, it is good to see the message of our vanguard published in other languages, and we hope that other Solidarity Committees will reproduce this noble initiative. [Text] [Managua BARRICADA in Spanish 1 Oct 80 p 12] 7679

CSO: 3010

VENEZUELA

VIVAS TERAN SUPPORTS RAFAEL CALDERA CANDIDACY

Caracas BOHEMIA in Spanish 13-19 Oct 80 pp 44-47

[Interview with Social Christian Party (COPEI) leader Abdon Vivas Teran, by Jesus Seguias, at his office in Caracas; date not given]

[Text] Politics certainly has its ups and downs. Today we could be down and tomorrow we could be up, and the day after perhaps the situation could change, and we would be back where we started.

This is at least what comes to mind when Abdon Vivas Teran, COPEI's "ultraleftist," announces his support of "ultra-conservative" Rafael Caldera, especially if we recall that the "albino" was persecuted in 1967, when he was COPEI secretary general, by the old caudillo. Can we say today that Abdon and the man who replaced him as the youth secretary in those days, Oswaldo Alvarez Paz, are marching shoulder to shoulder in furthering Rafael Caldera as a COPEI presidential hopeful?

We ascended to the 19th floor of "La Previsora" Tower to erase this question mark. At the entrance to a large office, taking up almost one-fourth of the floor, were the words: "Vivas Teran and Associates." Our blond host was waiting for us, and without wasting time on formalities, we began interviewing him:

Caldera and Pedro Pablo: 'Intimely Action'

[Question] What does Abdon Vivas think about the intensive internal campaign that a number of COPEI factions have engineered to take control of the national leadership at the upcoming National Convention?

[Answer] I think that the worst thing that COPEI could do is get involved in another conflict over replacing its national, regional, district and municipal authorities. More specifically, I do not want to get involved in a conflict over replacing our authorities. I think that some of our comrades are bringing up this issue, which they have a right to do, at the wrong time and under the wrong circumstances. I think that the approach by certain comrades who are bent on quickening the pace of dealing with the party's political

problem is like trying to have lunch before breakfast, to quote Minister Rafael Andres Montes de Oca. The country is calling on us to behave differently.

[Question] Are you referring specifically to the campaign that Pedro Pablo Aguilar has begun all over the country?

[Answer] I am referring to any comrade who feels that way and takes that tack. I am not questioning their right to do so, but I am questioning their timing and the political motives for such an approach.

The COPEI Consensus

[Question] Dr Vivas, there are those who think that your stand coincides quite nicely with the Caldera faction, which is interested in keeping the current authorities on the National Committee because they are on their side....

[Answer] You should remember that I have not said that the party's current authorities ought to continue in power after their terms are over, in accordance with the party's bylaws. I have said only that if COPEI really reflects the political maturity that the country ascribes to it, it ought to avoid resolving the problem of replacing its authorities through conflicts. I am not in favor of extending the mandate of the present authorities, which would be the other way set forth in the bylaws to surmount the problem.

[Question] What are you proposing then?

[Answer] I am proposing a general agreement, an appeal for a consensus, which, from my modest standpoint, is the call emerging from the COPEI rank-and-file. The people in COPEI are weary of internal elections...

[Question] It seems that Dr Caldera has actively begun his campaign for his party's presidential nomination. Could your criticism regarding the replacement of authorities also be applied to Dr Caldera?

[Answer] If I assert that a discussion about authorities is untimely, I have to be consistent and state that a discussion of presidential candidates is even more out of place and untimely. My call for a consensus also has to do with COPEI's presidential candidate....

[Question] Would you say then that Rafael Caldera is taking untimely action?

[Answer] I think that any discussion of a presidential candidate is out of place and untimely.

Caldera: The 'Natural Candidate'

[Question] Are you in agreement with Rafael Caldera's candidacy?

[Answer] I think that former President Rafael Caldera is a natural candidate for the party. I feel that he represents one of our best chances for retaining power....

Did Abdon Back Down?

[Question] What might be going through the minds of the people in that large youth faction, and party faction in general, who loyally followed Abdon Vivas Teran when he was national youth secretary and then fired from the post by Rafael Caldera (some say that he was ridden roughshod over), when they hear him say that Caldera is COPEI's natural candidate?

[Answer] I do not think that former President Caldera is our only option in COPEI. There are other comrades with a thousand qualifications who could run in 1983. I have just said that Dr Caldera is the party's natural candidate. I think that there is a wide range of agreement on that in COPEI, beginning with the minister of the interior himself, Rafael Andres Montes de Oca. So I think that this is not just my opinion; rather, it represents the view of a major contingent in COPEI.

Furthermore, I think that things and ideas have evolved in the Social Christian Party. Under the current circumstances, it would not be at all strange for me to back the views, as such, of a comrade, regardless of how bitter and hard-fought the struggle might have been in the party in years past. This is not the first time that I have disagreed with a number of party comrades. On the contrary, I think that as developments unfold, there could be much broader common ground. President Caldera is a party comrade like any other person. You cannot ask me to disagree permanently with anybody, much less with former President Caldera, just as you cannot ask me to agree constantly with someone.

Good-By to the Community Society?

[Question] In light of these changes, could we say that Dr Rafael Caldera has become acceptable to the "left wing" in COPEI or that, on the contrary, Abdon Vivas has renounced his original ideas and become acceptable to the "right wing"?

(The blond Vivas Teran smiled before making his response.)

[Answer] The party's political and ideological dynamics are moving forward. COPEI is trying to bring itself up to date. And if former President Caldera, President Luis Herrera, the entire party, moves towards the idea of a "community society" and worker self-management, I will be the first one to voice my happiness over that approach, because when all is said and done, those have been my main banners over the 20 years, ever since my youth, that I have been a member of Venezuelan Christian Democracy.

[Question] Does this mean that ideological principles are not under discussion right now in COPEI?

[Answer] Right now, the party's attention is not focused on political and ideological discussion. I do not agree with this. I have to acknowledge, of course, that the party is faced with situations that it has to take care of right away. According to many people, it has to first take care of replacing its authorities and choosing its presidential candidate.

Caldera Is the Man

[Question] Dr Vivas, what essential requirement must a COPEI leader meet to seek the presidential nomination?

[Answer] The ability to lead us to victory in the next presidential election...

[Question] Who, for example?

[Answer] I think that aside from being a natural candidate for the party, as Minister Rafael Andres Montes de Oca said last year in Barquisimeto, Dr Rafael Caldera is obviously a man who could really insure our victory over Democratic Action.

Is Abdon an Opportunist?

[Question] By taking this stand aren't you running the risk of having people call you an opportunist?

[Answer] I don't think so. I don't have a position in the government; I don't have ties with the country's economic and political oligarchy, nor do I seek the support of those oligarchies....

[Question] What about Dr Caldera?

(Abdon Vivas ignored our last question and continued answering the previous one.)

[Answer continued] ...I am in the midst of a struggle commensurate with my qualifications and potential. I think that the party's basic commitment, under Caldera, Herrera Campins, Montes de Oca, Eduardo Fernandez or whoever, will have to gradually draw closer to the interests of the nation's working classes.

Excuse Me...?

[Question] Is it true that the Caldera faction proposed that you head up the COPEI legislative bloc?

[Answer] Could you repeat that question; you caught me by surprise.

(Knowing that this was done just for effect, I did not mind repeating what I had said with crystal clarity, a deliberate redundancy.)

[Answer] That is a complete surprise to me.

'Pepi' Is Fine, But...

[Question] What do you think of "Pepi" Montes de Oca as a COPEI presidential hopeful?

[Answer] I have a very high opinion of Minister Montes de Oca; I think that he has stupendous qualifications for a presidential candidate. I think that he is the minister who has lent the most influence to Luis Herrera Campins's administration...

[Question] Does this mean that he is on a level with Rafael Caldera?

[Answer] I have no direct or indirect information from Minister Montes de Oca to the effect that he is seeking the party's nomination. But I realize that there are many possible candidates in COPEI, one of them being former President Caldera, who is a natural candidate for the party, as Montes de Oca himself asserted some time ago. So...I think that we should stress not so much a comparison of individuals as the need for us to select the best man, so that he can lead us to victory.

8743

CSO: 3010

VENEZUELA

EARNINGS BELOW SUBSISTENCE LEVEL REPORTED

Caracas EL NACIONAL in Spanish 19 Oct 80 p D-20

[Excerpts] Some 49.3 percent of Venezuelan families have earnings below the minimum subsistence level, according to a study presented by Councilman Felix Lopez on behalf of the Socialist League. The study concerns the unequal distribution of income, the erosion of real wages, the rise in unemployment, the high cost of living and the consequences of the current economic policy.

"It is not hard to convince any Venezuelan citizen of the contrasts that exist in our country. In our cities we see all kinds of buildings and mansions right next to thousands of huts housing more than one-third of our population and lacking basic services like water, electricity, garbage collection, etc.," Felix Lopez pointed out.

He illustrated the situation with the following table:

Monthly Income of Venezuelan Families

Income Level (bolivars)	Number of Homes	Percent of Total	Cumulative Percent of Homes by Income Level	Family Income
Total	2,259,962	100.00	100.00	2,897
Up to 300	36,324	1.61	1.61	216
301-450	51,823	2.29	3.90	402
451-700	139,173	6.16	10.06	595
701-1,000	227,309	10.05	20.11	891
1,001-1,500	325,793	14.42	34.53	1,290
1,501-2,000	333,740	14.77	49.30	1,799
2,001-3,000	413,795	18.31	67.61	2,579
3,001-4,000	266,620	11.80	79.41	3,612
4,001-5,000	160,104	7.08	86.49	4,675
5,001 and above	301,173	13.34	99.82	8,081
Unspecified	4,128	0.18	100.00	--

The table indicates that 49.3 percent of Venezuelan families earn less than 1,799 bolivars on the average. A study was conducted in Venezuela in 1975 that

concluded that a minimum family subsistence income totaled 1,556 bolivars a month; by June 1980 the figure stood at 2,029.18 bolivars a month.

Pointing out further contrasts, we can say that 13.33 percent of Venezuelan families (those earning 5,001 bolivars a month and more) account for 37.17 percent of the total income earned by Venezuelans, while 67.61 percent of the families account for just 36.69 percent.

The councilman asserted that if we add up the number of Venezuelans who live on family income of between zero and 2,000 bolivars a month, we reach the conclusion that 5,701,953 of our fellow countrymen cannot meet their minimum needs.

Income Level	Number of Homes (1)	Average Family Size (2)	Total (1x2)
Under 300	36,324	4.1	148,928
301-450	51,823	4.6	238,386
451-700	139,173	4.5	626,279
701-1,000	227,209	5.1	1,158,766
1,001-1,500	325,793	5.2	1,694,124
1,501-2,000	333,740	5.5	1,835,570
2,001-3,000	413,795	6.0	2,482,770
3,001-4,000	266,620	6.1	1,626,382
4,001-5,000	160,104	6.3	1,008,655
5,001 and up	301,173	6.3	1,897,390
Unspecified	4,128	4.2	17,338
Total			12,734,588

On top of this regrettable situation, we have the problem of increases in the cost of living, which have worsened with "price decontrol." In just 1 year, this policy has led to a 32 percent increase in the price of necessary items such as foodstuffs, thus causing a continued erosion of already precarious Venezuelan wages to unprecedentedly low levels. The councilman pointed out that the purchasing power of 1 bolivar in August 1979 had dropped to 75 cents by August 1980.

8743

CSO: 3010

VENEZUELA

COUNTRY'S POPULATION PROJECTED FOR 1981, 1985

Caracas RESUMEN in Spanish 19 Oct 80 pp 72-73

[Text] From 1971 to 1980 the population of Venezuela has increased by 4,223,000, from 12,335,177 to 16,458,502. According to a projection by the Central Office of Statistics and Information Science (OCEI), Venezuela will have 16,988,291 inhabitants in 1981, an increase of about 540,000.

According to another OCEI projection, Venezuela's population will reach 22,170,000 by 1990.

These projections of population increases in the coming years are very valuable in developing an idea of the country's future needs in goods and services.

If the increase in population is not accompanied by a corresponding increase in goods and services, problems and discontent arise. Thus, our country, which lacks a great many products, sees demand mount each year, and if goods are not produced to meet this demand, we will have to continue resorting (as we have so far) to imports, which represent a continual drain on foreign exchange and hinder the creation of our own job sources. Due to a lack of foresight, this has been happening in services such as water, social aid centers, schooling, transportation, mail, law enforcement, housing, etc. In other words, demographic statistics must be taken very much into account in planning to meet the requirements of a growing population, at least to the extent of its increase.

Though we now realize that there is a shortage of about 1 million housing units in the country, we should also plan to build between 100,000 and 150,000 additional units a year just to meet the ongoing demand from the natural increase in population.

Now then, since we also have to make up the shortage of one million housing units, we should give some thought to the enormous resources needed to undertake the vast effort of meeting the demand for housing in this country.

The housing shortfall that we have highlighted is a major inflationary factor. In order to meet such wideranging requirements, large tracts of land are also obviously needed, and such lands are available in the metropolitan area and in the Sucre District only at overinflated prices because of the prevailing speculation, a situation that does not lend itself to the building of low-cost housing.

Our most heavily populated cities will have to have areas that can unclog them by means of frequent, quick and efficient transportation services. These areas, which have come to be known as "satellite cities," can be built only by the state, because there are no private enterprises in our country with enough funds to undertake urban developments and investments of this magnitude. Think about how many services an urban area with 100,000 to 150,000 inhabitants has to have (water, electricity, telephone, schools, law enforcement, social aid services, supplies of all sorts of goods, etc), and you will see that this is a major task that only the state can undertake.

The fact is that population growth creates pressures, and we have to begin immediately the major tasks that it entails.

The following is the OCEI's projection of the population for 1980-81 and 1985, by states:

	1980	1981	1985
Total	16,458,502	16,988,291	19,213,287
Federal District	2,725,718	2,749,854	3,074,009
Anzoategui State	721,171	739,203	815,625
Apure "	246,682	254,110	284,194
Aragua "	926,705	966,658	1,137,530
Barinas "	371,212	384,397	439,223
Bolivar "	788,332	833,987	1,025,410
Carabobo "	1,117,190	1,164,925	1,367,743
Cojedes "	144,144	150,124	172,810
Falcon "	554,505	565,771	613,110
Guarico "	450,402	459,721	500,394
Lara "	999,711	1,029,699	1,155,786
Merida "	490,906	602,501	550,738
Miranda "	1,519,102	1,595,168	1,921,771
Monagas "	401,844	409,723	443,408
Nueva Esparta "	235,695	248,369	301,841
Portuguesa "	457,224	472,425	536,468
Sucre "	632,684	645,038	697,841
Tachira "	723,718	741,349	816,013
Trujillo "	508,921	517,543	552,649
Yaracuy "	317,532	325,585	359,519
Zulia "	2,009,018	2,065,097	2,306,171
Amazonas	34,564	35,845	41,309
D. Amacuro	82,522	85,929	99,720

8743

CSO: 3010

PROSPECTS FOR PETROCHEMICALS INDUSTRY DISCUSSED

Caracas RESUMEN in Spanish 19 Oct 80 pp 28-29

[Text] In discussing the current situation in petrochemicals, a preliminary version of the Sixth Plan of the Nation 1981/85, formulated by the Central Office of Coordination and Planning of the Presidency of the Republic, states that "one of the basic goals that the Venezuelan economy must achieve is the rational utilization of nonrenewable resources by processing them into goods that are of greater value in meeting domestic needs and in promoting a diversification of our exports."

"This is what we have been saying ever since petrochemicals were first talked about in our country, but we have not progressed as much as we could and should have, because some people have been determined to settle this matter on a merely political level," people connected with the industry assert.

They indicate that it is true that "because of the structure of mounting domestic demand, characterized by excessive dependence on hydrocarbons, we must urgently make more efficient use of our energy resources and incorporate as much value added as possible into them. Nevertheless," these circles add, "what have we been waiting for since the 1950's, when millions and millions of bolivars began to be invested in this industry? More than 25 years have passed, and we still do not have an aromatics or olefins complex of the size that Venezuela ought to."

The Office of Coordination and Planning (CORDIPLAN) document then says that "in keeping with this principle and based on the national objective of developing a less dependent economy, the petrochemicals industry is a means for making comprehensive use of and getting the utmost from our hydrocarbons and, therefore, from the energy consumed," adding that "the demand for petrochemicals and fertilizers in major domestic sectors, together with the failure to carry out petrochemicals programs, has contributed significantly to higher imports. Of course, when nothing is done," these circles assert, "this has to happen: imports continue to increase (as with metal equipment items, etc, etc), and oil dollars are spent on imports."

It's always the same old song: "Since the country has sovereign use of its hydrocarbons resources, it has the opportunity to formulate a development policy that by assessing previous efforts and incorporating new developments, can provide industry with harmoniously integrated programs that are feasible in the medium run. This is exactly what was said initially during the era of

the 'new ideal' and the 'integrated petrochemicals industry,' which ended up like soap bubbles, with several hundred million bolivars wasted or unaccounted for."

Prospects for 1980-1985

With regard to "prospects for the 1980-1985 period," the current administration says the following in the preliminary version of its 5-year program, the Sixth Plan of the Nation:

"The high rate of growth in the domestic petrochemicals market over the last few years has generated quite a bit of demand for plastics and fertilizers especially.

"Moreover, the long-term growth trend in the domestic market indicates that by the end of this decade there will be a substantial shortfall in local supplies, especially of fertilizers, the demand for which is expected to grow during the 1980's at a year-to-year rate of more than seven percent. This means that consumption will total around 1.3 million tons by the close of the decade, which if not satisfied by domestic output through the development of new programs, will have to be met by continued recourse to imports, which are estimated to hit more than 470,000 metric tons by 1990. In addition, the domestic aromatics market is expected to grow to some 130,000 metric tons by that same year, which means that we will have to build a BTX aromatics complex. These domestic market expectations are also a groundwork for developing new petrochemicals programs to add to our existing plants.

"There are also possibilities for marketing products in Andean Group countries and in third party countries. This would complement the Venezuelan market and enhance the flexibility and economic yield of our operations."

Investment Program

The preliminary version of the Sixth Plan of the Nation says at another point that "at present the Petrochemical Enterprise of Venezuela, S.A. and PETROVEN are engaged in analyzing and deciding what kind of petrochemical plants will be built, pursuant to the guidelines set down by the Executive Branch. As far as olefins and plastics are concerned, a decision has been made to build the following plants: vinyl polychloride; high-density polyethylene; low-density polyethylene, dichlorine ethane; caustic soda and polypropylene."

"As far as fertilizers and aromatics are concerned, they are awaiting the pertinent studies before making a decision on what plants construction will begin over the next few years."

The citizenry is highly skeptical about petrochemicals. Thus, when talk gets around to these things, it is not at all strange to hear people say: "Is all of this going to end up like 'El Tablazo,' where hundreds and hundreds of millions of bolivars were invested after so many promises were made? Or will all of this fine talk become another drain on the Treasury?"

VENEZUELA

PETROVEN PRESIDENTS' SALARIES DENOUNCED

Caracas EL NACIONAL in Spanish 19 Oct 80 p D-16

[Text] "Energy and Mines Minister Humberto Calderon Berti could not deny at the meeting of Zulia legislators from 16 to 18 October that the presidents of PETROVEN [Venezuelan Petroleum, Inc] subsidiaries have had their base salaries boosted exorbitantly to 120,000 bolivars a month."

This statement came from Radames Larrazabal, a national leader of the PCV [Venezuelan Communist Party], who added that if the salaries of these managers were boosted to 120,000 bolivars a month, we would assume that the same was done with the pay of the oil company's executives.

"In any case, these salaries are almost six times higher than the nominal salary of the president of the republic."

No one, according to Larrazabal, can deny the responsibilities of these high-level managers, nor their policies as technicians nor the time that they have served in the oil industry, including prior to the nationalization, when some of them held very prominent posts.

"What we can see in this case, however, is a somewhat abusive practice that clashes with the notions of austerity and job loyalty that the current administration is advocating. Some body, the National Congress for example, ought to be consulted in connection with such a delicate matter. Minister Humberto Calderon Berti promised at the aforementioned meeting to send Congress a list of the most important oil industry managers and the salaries they receive. But we must come up with ways to control this situation."

The Communist leader said that according to figures compiled by the Presidential Commission on Petroleum Reversion in 1974, a number of the directors of the concessionary companies earned 46,000 bolivars a month. Just 6 years later, however, this figure had increased threefold.

"There are also oil workers who have been working for the companies for 20 or 30 years and are not even close to enjoying the benefits, proportionally speaking, of course, that the upper levels of management receive; in fact, the companies are too cheap to improve their living and working conditions," he pointed out.

NEW RECOVERY METHODS FOR RESIDUAL REFINED OIL ANNOUNCED

Caracas EL NACIONAL in Spanish 19 Oct 80 p D-18

[Article by Fermin Luque]

[Text] Los Teques, 18 Oct (Special)--New technologies for making maximum use of the residues from crude oil processing were unveiled at the first international seminar on new trends in oil refining, which was held at the research and development headquarters of Venezuelan Petroleum, Inc. (PETROVEN) in Los Teques.

The four new technologies have been developed by companies from the United States, France, Canada and Venezuela.

It was explained at the seminar that once the crude has been cracked in an atmospheric fractionating tower, the heaviest part is subjected to a vacuum distillation process, which yields liquids and a nondistillable residue. The aim of the new processes discussed today is to enhance the vacuum residue to obtain a higher yield of intermediate distillates such as gasolines, naphthas, gas oil, etc.

Little use was made of residues previously, but now, with the high cost of liquid products, these technologies have become extremely attractive from an economic standpoint, inasmuch as the residues of high metal content crude can be quite profitable when properly treated.

The French System

The representative of the French Petroleum Institute (IFP), Dr Antoine Billon, said in his address that "over the last 10 years the IFP has devoted major efforts to the treatment of atmospheric and vacuum residues using a process of deasphalting with heavy solvents."

"At present," he pointed out, "we can demonstrate a new processing system for converting deasphalted crude." The system consists of a hydrocracking, followed by a hydrotreatment of the cracked products using specially designed catalysts resistant to metal contamination.

Dr Billon said that tests have been conducted with various loads of heavy crudes and that in all cases there have been high levels of conversion into intermediate distillates, which are characterized by an intermediate diesel index and a low sulfur index. The residues represent a good charge for catalytic cracking because of their low sulfur, carbon and metal content and intermediate hydrogen content.

The Canadian Process

The Canadian process was explained by Dr Barry Pruden, who is attending the seminar on behalf of Petrocanada.

Dr Pruden explained that the advantages offered by the hydrocracking process using smelted salts (a high yield of light distillates and the system's resistance to contamination by metals and other substances) led them to investigate this technique for enhancing heavy crudes.

According to his report, the hydrocracking of heavy crudes with smelted salts is the only petroleum enhancement process using smelted zinc chloride instead of the conventional alumina support for heterogeneous catalysts.

According to Dr Pruden, this process, which is being developed by the Conoco Coal Development Company, could generate a good yield of high quality distillates from coal.

The Venezuelan System

The technology that our research center INTEVEP [Venezuelan Institute of Petroleum Technology] is developing was discussed by Dr Julio Krasuk, one of the researchers at the PETROVEN affiliate.

Dr Krasuk pointed out that the process of enhancing heavy crudes consists first of deasphalting, followed by hydrometalization and catalytic desulfurization of the deasphalted heavy crude.

A deasphalting study on 10 Venezuelan heavy crude oils yielded information on certain quality-related aspects (metal concentration, carbon content, etc) of these oils, as a function of the yields from the deasphalting process.

To illustrate these yields, Dr Krasuk disclosed the results achieved by deasphalting Jobo crude (14 degrees API), which has a high vanadium and sulfur content. This charge was fed into a reactor using hydrometalization and hydrodesulfurization catalysts, which yielded a crude oil with very fine properties (low vanadium and sulfur content), plus a vacuum residue equivalent to 10 percent of the product volume.

The American System

Dr Richard Eccles, from the American company Hydrocarbon Research Incorporated, discussed the "H-Oil Process for High Conversion of Venezuelan Residues" in his lecture.

High oil prices furnish a big incentive for mixing vacuum residues with hydrogen to achieve a maximum yield of distillable products, he explained.

H-Oil is a commercially tested process that has been used for 12 years in Kuwait and other countries, and based on experimental laboratory results, 90 percent conversion can be secured by recycling vacuum residues.

The H-Oil system is of great interest to Venezuela, inasmuch as according to Dr Eccles's explanations, it could be used on our heavy crude oils with a demetalizing catalyst as a initial processing stage.

8743

CSO: 3010

VENEZUELA

ENERGY MINISTRY BUDGET SUBMITTED TO CHAMBER OF DEPUTIES

Caracas EL NACIONAL in Spanish 17 Oct 80 p D-20

[Text] Energy Minister Humberto Calderon Berti yesterday submitted his ministry's 204 million bolivar budget to the Finance Committee of the Chamber of Deputies.

This year's Energy and Mines Ministry budget calls for 204 million in its own outlays, plus 50 million for the International Institute of Advanced Studies for the Countries of OPEC and the Third World, and 12.1 million for FONINVES [Petroleum Research Fund] (hydrocarbons research and the training of scientific and technical personnel) and FUNVISIS (seismological research). These three items consist of contributions that will be included in this year's Energy and Mines Ministry budget, in addition to other basically social and service outlays that used to be included in the Finance Ministry's budget.

Taking into account all of its expenditures, the budget for the Energy and Mines Ministry next year totals 272 million bolivars, an 84 million bolivar increase over the 1980 budget of 187 million.

At the submission of the ministry's draft budget, deputies from various parties discussed both it and the overall federal budget. Deputy Cristobal Hernandez said that we had to rework the forecasts for revenue in the 1981 budget in light of higher anticipated oil prices. The minister pointed out that such a situation could not be anticipated because we have to wait for developments to happen. Anselmo Natale, from MAS [Movement for Socialism], made a series of observations, asked for an explanation of the Energy and Mines Ministry personnel cuts and pointed out that although OPEC has kept prices steady, it has not cut output, as it had agreed to do at the Vienna meeting. The minister clarified that the pricing decision was a resolution (which are unanimous and binding in OPEC), while this was not the case with the production move, which was a gentlemen's agreement among a group, not all, of the members.

Deputy Fernando Alvarez Paz, the secretary general of the People's Electoral Movement in Zulia, noted that the major outlays scheduled for the Orinoco Belt could affect other priority programs, such as the Guayana and Zulia iron, steel and coal programs.

BRIEFS

NATURAL GAS DISCOVERY--Punto Fijo, 10 Oct (Special)--Lagoven has made another natural gas discovery at its Los Testigos well northwest of Los Testigos Island. This confirms the existence of gas reserves on Venezuela's continental shelf. Tests on the well yielded positive results, with an output of about 480,000 cubic meters a day of natural gas (almost 18 million cubic feet). The gas can be used as a fuel and in other petrochemical industry processes, as well as the hydrogenation of heavy crudes. This is the northern well that Lagoven drilled in its offshore program. It utilized the ship "Wodeco IX," which had been operating north of the Paria Peninsula. Lagoven is also using a self-lifting platform, the Rowan Odessa, in the Gulf of Paria in its offshore program. The zone assigned to Lagoven for its offshore program includes the entire continental shelf off the Orinoco delta, the Gulf of Paria and the entire coast from the Paria Peninsula to the north, across the eastern part of Margarita Island and as far as Aves Island, the northernmost point of Venezuela's territory. The Los Testigos I well is located some 100 kilometers north of the coast of Sucre State and a bit more than 20 kilometers northwest of the islands of the same name. We should emphasize that this is the first discovery in the northern basin, since the others have been located closer to the Paria Peninsula: Tejilones I, containing gas and very light liquid hydrocarbons, and the Pao I and Dragon I wells, which contain solely gas. [Text] [Caracas EL UNIVERSAL in Spanish 11 Oct 80 Sec 2 p 28] 8743

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